

**U.S. POLICY TOWARD SOUTHEAST EUROPE:
UNFINISHED BUSINESS IN THE BALKANS**

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COMMITTEE ON FOREIGN RELATIONS
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WEDNESDAY, JULY 14, 2004

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
Washington, DC.

The committee met at 2:34 p.m., in room SD-419, Dirksen Senate Office Building, Hon. George V. Voinovich, presiding.

Present: Senators Voinovich and Biden.

OPENING STATEMENT OF SENATOR GEORGE V. VOINOVICH

Senator VOINOVICH. Good afternoon. The committee will please come to order.

I would like to thank the chairman, Senator Dick Lugar, and Senator Biden and the chairman of the Subcommittee on European Affairs, Senator Allen, for agreeing to convene this hearing today to examine U.S. policy toward Southeast Europe.

While the United States must move forward to fulfill commitments in Iraq, Afghanistan, and other parts of the world, we must not forget challenges that remain in the Balkans, particularly in the successor states of the former Yugoslavia.

As we begin this discussion, I would like to welcome two distinguished panels of witnesses who have agreed to testify before the committee this afternoon. We will first hear from Deputy Assistant Secretary of State Kathleen Stephens, who recently returned from Belgrade and Pristina. I was on the phone with Marc Grossman and I am glad that you were in Southeast Europe with him because you will fill me in more than what Marc was able to do over the phone. I appreciate the fact that Secretary Grossman has paid particular attention to Southeast Europe and he traveled to Kosovo following the ethnic violence in March, and I am glad that Ms. Stephens is here because I look forward to her feedback and fresh perspective on things.

I would also like to welcome Ms. Mira Ricardel, who is Acting Assistant Secretary of Defense for International Security Policy. As the United States and members of the international community work to promote security and stability in Southeast Europe, with American soldiers participating in peacekeeping missions in Kosovo and Bosnia, it is important that we hear from the Defense Department regarding their work in the region. We appreciate the Defense Department being represented here today.

In fact, at present, more than 950 soldiers from the Ohio National Guard's 337th Armor Brigade are preparing for deployment to Kosovo where they will serve as part of NATO's Kosovo force.

These men and women in uniform from Ohio and others from across the country continue to perform a vital mission in Kosovo. And I am glad that Ms. Ricardel has agreed to be here.

Our second panel includes Ambassador James Dobbins, who serves as director for the International Security and Defense Policy Center at RAND. I will never forget the wonderful communication that I had, Ambassador Dobbins, during the military campaign in Kosovo and thereafter. I really appreciate the attention that you gave me and the issues.

We are also going to hear from Mr. James O'Brien of the Albright Group.

We are also pleased to have with us on the second panel Mr. Ivan Vejvoda of the German Marshall Fund's Balkan Trust for Democracy, who traveled from Belgrade to be here today, and Mr. Veton Surroi, Publisher of the ethnic Albanian newspaper, Koha Ditore, who flew in from Pristina. Again, we welcome these witnesses and thank you so much for traveling such a long distance to be with us this afternoon.

As my colleagues are aware, I have long maintained an active interest in developments in Southeast Europe. During the course of the last decade, the United States has invested considerable resources in an effort to promote lasting peace and stability in the region and to bring the countries of the Balkans into Europe's democratic institutions.

Last June this committee conducted a hearing, which I chaired, to examine progress and challenges in the successor states of the former Yugoslavia, and we concluded then, as we continue to discuss now, that while the region is clearly a different place following the death of Franjo Tudjman in Croatia in December 1999 and the removal of Slobodan Milosevic from power nearly 4 years ago, our work is yet not finished as we strive to see the President's vision of a Europe that is whole, free, and at peace become a reality.

The latest round of ethnic violence in Kosovo, which erupted on March 17, 2004, and resulted in the deaths of 20 people, including 8 Kosovo Serbs, 8 Kosovo Albanians, and 4 unidentified victims, is a tragic and urgent reminder of the work that remains to be done in the Balkans.

In addition to those who lost their lives, the events of mid-March resulted in the displacement of more than 4,000 Kosovo Serbs, Roma, and others from their homes and communities, and the destruction of more than 900 homes and 30 churches and monasteries belonging to the Serbian Orthodox Church, adding to the more than 100 churches and monasteries that had already been destroyed during the last 5 years.

In the aftermath of this violence, the United States and members of the international community have begun to reexamine the situation on the ground and reassess what should be done in order to promote a secure and stable future for all people in Kosovo.

I am glad the United States has enhanced its level of engagement in Kosovo following the violence. Under Secretary of State Marc Grossman has made frequent visits to the Balkans in recent months, returning from his latest trip, as I mentioned, a few days ago. U.S. officials are also participating in regular meetings of the Contact Group in Kosovo. We will play an active role as the new

head of UNMIK, Soren Jessen-Petersen, assumes the role later this summer. This is welcomed and it should continue.

That being said, we do need to do more. We should do all that we can to work with leaders in Pristina and Belgrade and members of the international community to find a way forward in Kosovo.

I have traveled to Kosovo three times since the end of the military campaign in 1999, most recently in May of 2002. At that time, I met with Kosovo Albanian leaders, including President Rugova and Prime Minister Rexhepi, as well as leaders of the Kosovo Serb community. In my conversations with all political leaders, I stressed the importance of moving forward with the efforts to promote the rule of law and refugee return, as well as to work for the protection of human rights and freedom of movement for all people in Kosovo.

At that time, I reiterated a plea that I made during a trip to Pristina in February of 2000 urging Kosovo's leaders to start a new paradigm of peace and stability for all people in Kosovo. I continue to believe it is essential that minorities in Kosovo, including Serbs, Roma, Egyptians, Bosniaks, Croats, Turks, Ashkalia, and others, are able to move about as they wish and live lives free from fear.

I could not agree more with the statement made in the "Ninth Assessment of the Situation of Ethnic Minorities in Kosovo," a joint report released in May 2002 by the Organization for Security and Cooperation in Europe and the U.N. High Commission on Refugees. The report concludes: "Only when Kosovo's minorities feel confident in their long-term future and when all of Kosovo's displaced persons are able to exercise the choice to return to their homes, feeling assured of their safety and confident in their ability to access institutions and participate in social, economic, and political life in Kosovo on a nondiscriminatory basis, will it be possible to say that the situation of minorities in Kosovo is acceptable."

While the violence appears to have calmed, the situation on the ground remains tense. There is a long road ahead as we look to work with the people of Kosovo not only to rebuild what has been destroyed, but also to secure an environment where respect for human rights and the rule of law are protected. Continued U.S. leadership is very, very critical in that part of the world.

Other challenges also remain in the Balkans. Prominent among these is the apprehension of war criminals still at large, including Ratko Mladic, Radovan Karadzic, and Ante Gotovina. It is essential that Serbia and Montenegro, Bosnia and Croatia enhance their level of cooperation with The Hague. Doing so is critical as the countries of the region address the atrocities of the past and move forward to the future. The importance of progress on this front is seen on the heels of the NATO summit in Istanbul, as countries look to join the European Union and NATO's Partnership for Peace. Without action to apprehend these individuals, there can be little movement on efforts to move toward European integration. I really hope that they all get that message.

While there is work to be done, there have certainly been positive developments during the course of the last year. Slovenia is now our NATO ally and a member of the European Union. Macedonia and Croatia, along with Albania, are working to join NATO

through the Membership Action Plan, and they are moving forward with plans to join the European Union.

Moreover, just 3 days ago, the world watched an historic event in Belgrade, as former Minister of Defense Boris Tadic, a political leader who embraces democratic reform and European integration, was inaugurated to serve as the next President of Serbia. The importance of this occasion cannot be overstated. Boris Tadic defeated the candidate of the Serbian Radical Party, the party of the indicted war criminal Vojislav Seselj, in a run-off election just 2½ weeks ago. On June 27, voters in Serbia embraced democratic reform and European integration and rejected nationalism that has for too long marred their past. It is my sincere hope that this is a sign of things to come in Serbia and Montenegro, and I am hopeful that action will soon be forthcoming, particularly on cooperation with The Hague.

Earlier this spring, the world also watched democracy at work in Macedonia, as the country elected a new President following the tragic death of Macedonian President Boris Trajkovski, whom I have known for many, many years. On February 26, President Trajkovski was tragically killed when a plane carrying him and eight others crashed in southern Bosnia. His death is a tragic loss not only for his family and those who knew him well, but for the people of Macedonia, the broader region of Southeast Europe and I believe the world at large.

While Boris Trajkovski is sorely missed, he left a legacy of courageous and principled leadership, progress, and commitment to democratic reform that put Macedonia on a path toward membership in NATO and the European Union. That legacy lives on, and I think I would be remiss if I did not mention my friend as we gather today to discuss ways in which the United States can work with political leaders in Southeast Europe to promote lasting peace and stability in the region.

Again, I would like to express my sincere appreciation to the chairman and ranking member for giving us the opportunity to discuss U.S. policy toward Southeast Europe this afternoon. I would also like to thank our witnesses for their time and testimony. We will begin our testimony this afternoon with Deputy Assistant Secretary of State Kathleen Stephens.

STATEMENT OF D. KATHLEEN STEPHENS, DEPUTY ASSISTANT SECRETARY OF STATE, SOUTH CENTRAL EUROPE, U.S. DEPARTMENT OF STATE

Ms. STEPHENS. Mr. Chairman, thank you very much for that opening statement and thank you again for this opportunity you have given us to discuss the challenge and opportunity before us in south central Europe. You have already outlined in a very comprehensive and insightful way very much what we see as the opportunities and the obstacles before us, and I will make my opening statement very brief.

However, as you already noted, I did just return from the region where I accompanied Under Secretary of State Marc Grossman on his third trip to the region since last November. In addition to the stops where I accompanied him in Belgrade and Pristina, I had the opportunity to have a number of meetings and stops in Bosnia-

Herzegovina, Croatia, Montenegro, and Albania. And I would say this, very much I think consonant with your opening remarks. I believe we are making slow, but steady progress in addressing the political divisions, the economic devastation, and the human toll of a decade of conflict in the region.

In Serbia, with the election of Boris Tadic as President, we now do have a proven partner with a strong mandate for reform and Euro-Atlantic integration. Having taken office, he must maintain with Prime Minister Kostunica the solidarity of democratic forces and take action. We have made clear the fundamental importance of long overdue action by Belgrade to cooperate fully with the International Criminal Tribunal for the Former Yugoslavia. We want Serbia to succeed, but success will come only through meeting its international obligations. I was pleased to note that President Tadic, in his inaugural address, made precisely this point.

In Kosovo, following the violence in March, the parties there, with encouragement and support from us and our allies, are beginning to repair the physical damage and restore the inter-ethnic dialog. And I do talk more about that in my written statement and, of course, will be happy to talk about it later.

Through concerted effort and coordinated engagement with our allies, we are working to restore progress on standard implementation as the only path to resolving the question of Kosovo's future status. We are working to focus the parties in particular on the issue of effective local government, ideas about decentralization as a key element to progress on the standards, and to a true multi-ethnic future for Kosovo and all its citizens.

In Bosnia and Herzegovina, state level authorities are emerging and they are becoming empowered. The NATO summit in Istanbul last month has paved the way for the successful conclusion of SFOR's mission in Bosnia, in keeping with the President's "in together/out together" pledge to allies and consistent with our commitment to hasten the day when U.S. and other international security forces can complete their mission and come home.

The NATO summit in Istanbul also reaffirmed that the door to NATO remains open, and we are working closely with the next generation of aspirants, Albania, Croatia, Macedonia, as they work with each other through the Adriatic Charter and on their own plans to move forward toward NATO accession. Each has progress still to be made, but all will have our full support.

I wanted to comment today in particular on the situation in Macedonia where we have been very focused this week on the final piece of decentralization legislation which will be the last element of the 2001 framework agreement. We have been working closely over the last few days with local authorities and with our partners in the international community to complete the implementation of the framework agreement and keep Macedonia on the path to Euro-Atlantic integration. The news out of Skopje today, after some hard negotiations, is very promising and we are very encouraged that Macedonia, consistent with the legacy that you so rightly mentioned of the late President Trajkovski, is taking this latest and important next step.

So, Mr. Chairman, I returned from my most recent trip impressed that we are making progress and also even more impressed

by the deepening and broadening commitment of the people of the region and their leaders to take their rightful place in a Europe, as you described it, whole, free, and at peace. But completing that journey will require our continued engagement and their continued effort and concerted effort to bring war criminals to justice, to bring refugees and internally displaced persons home, to take control of their own borders and their own futures, and to take advantage of economic opportunities by following through on structural reforms. These are the actions we must see to build upon the foundation our efforts in the region have laid and to finish the job in the Balkans with the region firmly, irreversibly on the road to joining a Europe whole, free, and at peace.

Mr. Chairman, I thank you for your invitation today, and I welcome your questions.

[The prepared statement of Ms. Stephens follows:]

PREPARED STATEMENT OF D. KATHLEEN STEPHENS

“UNFINISHED BUSINESS IN THE BALKANS”

Mr. Chairman, distinguished members of the committee, ladies and gentlemen. Thank you for this opportunity to represent the Department of State to discuss our policy in the Balkans. I particularly appreciate the opportunity to appear with Acting Assistant Secretary of Defense Ricardel.

Our efforts in the Balkans will continue to require active, comprehensive, and co-ordinated U.S. engagement, and that starts here in Washington both among the executive agencies and between the executive and legislative branches. We welcome the advice and the input of this committee and of the individual members of Congress.

As we address the question of “Unfinished Business in the Balkans,” I would like to define the business we are trying to finish; it is nothing less than the completion of the President’s vision of a Europe whole, free, and at peace.

As Under Secretary Grossman noted in his address to the North Atlantic Council in November of last year, “our focus must be on integrating the region into the community of Euro-Atlantic values: democracy, rule of law, and individual freedom.”

As he stated, “bringing the Balkans into Euro-Atlantic institutions is our goal,” and we are dedicating all the means available to us toward this end. As he concluded, “we are not departing the Balkans; we are bringing the Balkans back into Europe.”

There are obstacles in our path:

- A decade of conflict has left ethnic division and economic devastation.
- War criminals remain at large; and nearly one million refugees and internally displaced persons remain displaced.
- Porous borders and weak rule of law structures present serious human rights and security concerns, particularly in the post-9/11 world.
- The transition from a focus on aid to a concentration on trade has gone slowly.

Yet we have made important strides to ensure self-sustaining progress:

- On June 27, in electing Boris Tadic president of Serbia, the people of Serbia voted decisively for domestic reform and Euro-Atlantic integration.
- In the aftermath of the violence in March, the parties in Kosovo are beginning to build needed bridges of dialogue and address the central issue, that of moving forward on the standards for Kosovo.
- Progress in Bosnia has set the stage for the successful conclusion of SFOR’s mission in Bosnia, consistent with our efforts to “hasten the day” and our “in together, out together” commitment to our NATO allies.
- With the historic expansion of NATO by seven members agreed at Prague, including several states from the region, we are working with the next generation of aspirants to ensure that others follow to complete Europe.
- In Macedonia, continued implementation of the Ohrid Framework Agreement has taken us back from the brink of broader regional conflict and taken Skopje to the threshold of accession talks with the European Union.

- Croatia has made impressive progress in its efforts to join the Euro-Atlantic family of nations with its successful application for European Union membership. While no firm date has been given to begin negotiations, many feel Croatia could start the process as early as 2005. Progress on refugee returns in Croatia has occurred, though more still needs to be done.
- Throughout the region, progress is underway to develop the means to prosecute and adjudicate war crimes cases domestically in a credible, fair and transparent way. This will leave the International Criminal Tribunal for the Former Yugoslavia (ICTY) to focus on those most responsible for the tragic events of the past decade, most notably Radovan Karadzic, Ratko Mladic, and Ante Gotovina, and let the nations of the region strengthen their own capacities in rule of law and justice, both in dealing with the past and in laying the foundation for their future development.
- Albania continues to make steady progress towards greater Euro-Atlantic integration. Albania's foreign policy in the region remains moderate and constructive, including with regard to Kosovo. Our bilateral security relationship is excellent.
- The democratically elected governments of the Balkans are cooperating to address the regional problems they can only solve together. Through fora ranging from the Adriatic Charter to the Southeast Europe Cooperation Initiative (SECI), and in their active support for the Global War on Terrorism, they are contributors to their own stability and to international security.

Our vision for the region cannot be realized alone. It will require continued close cooperation and coordination with our Allies, who provide the vast majority of the stabilization forces and the foreign assistance, with the international and non-governmental organizations active in the region, and with the people of the region and their democratically-elected representatives, who must ultimately make the hard decisions and implement the reforms necessary to realize a Euro-Atlantic future.

In FY 2004, the United States continued to provide assistance—about \$337,000,000 to promote civil society, good governance, effective rule of law, economic revitalization, and free media in Croatia, Bosnia and Herzegovina, Serbia and Montenegro, Kosovo, Macedonia and Albania. In addition, we continue to provide substantial support—more than \$25 million in 2004—to help support vulnerable refugees and internally displaced persons, including ensuring they have a real choice about whether they wish to return to their homes.

High unemployment in the Balkans threatens stability and opens the door to ethnic tension and religious extremism. We have started a major effort to redirect programs to address the policy, capital, and legal constraints to job creation. Unreliable energy supplies have been cited as an impediment to regional development. In response, we are continuing our push to help create a regional energy market, linking the Balkans to Western Europe. Countries will be able to buy from and sell to the market based on marginal cost, and be required to adopt transparent market rules.

Access to markets is essential for Southeast Europe whose individual economies are too small to encourage significant investment. We have supported the development of a network of WTO-compatible free trade agreements and supplied technical assistance in achieving quality standards, meeting certification requirements and introducing regulatory reform. We are also assisting the government in identifying and eliminating barriers to investment.

SERBIA AND MONTENEGRO

Along with colleagues from the NSC and Department of Defense, I accompanied Under Secretary of State for Political Affairs Marc Grossman when he visited Belgrade last week, July 6-7. We were there to congratulate the Serbian people for their vote for democracy and reform in electing Boris Tadic their new President. With Mr. Tadic's election and a democratic coalition in power in Belgrade, we believe Serbia can succeed and we want to help. But our help—and the success of Serbia—continue to depend on Serbia meeting the ambitious but achievable conditions necessary to advance its own aspirations of Euro-Atlantic integration.

First and foremost among these conditions is cooperation with the ICTY.

Belgrade's poor record on cooperation with the ICTY compelled Secretary Powell, in March of this year, to decline to certify Serbia pursuant to Section 572 of the Foreign Operations, Export Financing and Related Appropriations Act. As a result, new assistance for Serbia covered by this legislation has stopped. The Secretary's decision underscored the importance we continue to attach to Serbia's full cooperation with the ICTY as an international obligation. It is also an essential condition

for progress toward membership in the Partnership for Peace, as noted in the communiqué from last month's NATO Summit in Istanbul, which called on Serbia and Montenegro to "cooperate with ICTY and render all necessary assistance to secure the arrest and transfer to the jurisdiction of the Tribunal of war crimes indictees." I should also add that Belgrade must drop its suits in the International Court of Justice against eight NATO Allies stemming from the Kosovo air campaign before it can join Partnership for Peace.

Serbia and Montenegro's EU aspirations are also on hold with the indefinite suspension of its feasibility study, the first step in the long accession process, because of insufficient progress on addressing political conditionality and constitutional issues. In its March 2004 report on the Stabilization and Association process, the EU noted that Serbia and Montenegro is still failing to comply with its international obligations concerning cooperation with the ICTY.

We also want to see Belgrade engage constructively on the question of Kosovo. Belgrade's restrained, constructive response to the events of March was an important element in containing the violence. Since March, we have encouraged Belgrade to be supportive of efforts to rebuild confidence between Kosovo's Serb and Albanian communities through dialogue, to reengage in dialogue in Pristina, and for Belgrade to participate in a reopening of the direct talks with Pristina on technical issues. We also welcome Belgrade's constructive engagement in a discussion on proposals for achieving better local government in Kosovo, including ideas for decentralization to bring government closer to the people it serves.

KOSOVO

Under Secretary Grossman's recent trip to the region was his third in the past eight months, and included a visit to Pristina as well as Belgrade. In both places, he focused on restoring momentum to our Review Date Strategy in the aftermath of violence in March that left nineteen dead and thousands displaced. There is no question that this violence represented a serious setback to the progress we had seen on implementing the internationally endorsed standards, which represent the only path toward resolving Kosovo's future status.

Our immediate focus in the aftermath of the violence was two-fold:

First, to hold the perpetrators accountable:

To date, international prosecutors are pursuing serious criminal charges in 52 cases, and an additional 200 cases are now before local judges under close international supervision.

And second, to repair homes that were damaged or destroyed, rebuild trust between the ethnic communities, and restore the credibility of the international community:

To date, approximately 260 of 930 damaged homes have been rebuilt, and 205 are currently under construction, according to UNMIK and Kosovo's Provisional Institutions of Self-Government (PISG) sources. Financing is being provided by PISG. The PISG has earmarked approximately 17 million Euro of its funds for reconstruction, and has committed to complete all reconstruction by this fall.

Of the more than 4,000 persons initially displaced in March, some 1,600 have returned. This displacement was doubly harmful, in that it undermined the slow progress on minority returns we had made in the past years. Prior to the March violence, Kosovo had seen the return of nearly 10,000 displaced persons to areas in which they are a minority, and the flow appeared to be increasing slowly. However, the overwhelming majority of those displaced in 1999-2000 remain so to this day. Less than five percent of the internally displaced persons who fled in 1999-2000 have returned to their homes.

Underlying these efforts is the broader question of security for all communities in Kosovo. The NATO-led security force, KFOR, has reviewed its practices in order to ensure that it is fully prepared to maintain a safe and secure environment, operating in close coordination with the UN and local police. At the NATO Summit in Istanbul in June, NATO concluded that it will maintain its present force levels in Kosovo. This will be reviewed in the fall as part of NATO's Periodic Mission Review (PMR) process.

Security will ultimately require more than the ability of the international community to deter violence. It will require dialogue between the parties, and we are working intensively, with NATO and EU representatives, to start a "Security Advisory Group" that will bring together international and local representatives.

It will also require strong leadership by the new Special Representative of the Secretary-General, Soren Jessen-Petersen. He will have our strong support as he works to invigorate the standards implementation process and to reform the bu-

reaucracy of the UN Mission in Kosovo. We have offered to provide him a strong American deputy to assist him in these important tasks.

Despite the March violence, we remain resolved to implement our Review Date Strategy, and to hold Kosovo institutions accountable for implementing the standards. To do otherwise—by accelerating the timeline of the mid-2005 review of progress, or to pre-ordain its findings—would be to reward the violence.

Kosovo has established basic democratic structures under free and fair elections. It must now focus its energies on: strengthening these institutions, securing the rule of law, ensuring that all displaced persons who wish to return are able to do so without fear, and undertaking a dialogue with Belgrade.

Kosovo's ability to meet these tasks will require that everyone in Kosovo participate in the standards implementation process. An important part of that process is efforts of Kosovo leaders and UNMIK to devise a plan to reform governmental structures to devolve more authority to the local level. Whether termed "decentralization" or "effective local government," such reform is key to the core issue of Kosovo's multiethnic future, a future in which local communities of all national groups have the authority to govern their own affairs and to help ensure their own security.

An encouraging step forward occurred late in June, when Kosovo Serb and Kosovo Albanian leaders met for the first time in Pristina since before the March violence in a meeting organized by a U.S. NGO and hosted by the U.S. Chief of Mission in Pristina. A similar meeting occurred July 8 when these leaders met together with Under Secretary Grossman and his delegation. On both occasions, the parties discussed in a forthright fashion important issues of security, reconstruction, and reconciliation. We will continue to foster this spirit of dialogue in Kosovo.

BOSNIA AND HERZEGOVINA

Bosnia and Herzegovina is approaching a watershed moment in its post-conflict transition. At Istanbul, NATO Heads of State and Government agreed to conclude the SFOR mission at year's end. This decision is recognition of NATO's success in ending a war, and Bosnia's progress on the path to recovery.

For the first time since Dayton, Bosnia is in the process of establishing the state institutions essential for both stability and multiethnicity:

The once separate and adversarial entity militaries and intelligence services are now coming under the command and control of the Bosnian state.

New State prosecutors are trying major criminal and corruption cases in new State courts under a new State criminal code.

State revenues to sustain these new institutions will receive a much-needed boost with the ongoing reform of the Customs and Tax administration.

But this progress is not yet irreversible. Ethnic politics remain a divisive force within and between communities. Unnecessary and bloated government structures consume over half of GDP, and current levels of economic growth are not sufficient to overcome Bosnia's massive trade imbalance and declining levels of international assistance. Local authorities are only gradually taking full responsibility for their own destiny. The High Representative, Lord Ashdown, continues to set the agenda and the pace for reform, using his powers to impose legislation and to remove officials when necessary.

Most recently, Lord Ashdown was forced to take action against Republika Srpska officials and the Serbian Democratic Party, the party of Radovan Karadzic, for failing to take action to apprehend Karadzic and other persons indicted for war crimes. As we have long stated, no single act would do more to advance peace and justice in Bosnia than the apprehension of Radovan Karadzic. Our efforts toward this end—including dismantling the financial and logistical support network that sustains him and other fugitives—will continue.

While SFOR is concluding, there will be structures in place to protect our substantial investment and to confront the challenges that remain. The EU will lead a new security mission, capable of supporting international civilian organizations and addressing key issues including organized crime.

NATO will continue to play an active and visible role in Bosnia. Under U.S. leadership, a new NATO headquarters in Sarajevo will play a central role in apprehending war criminals, counterterrorism, and defense reform.

MACEDONIA

In stark contrast to where it was just two years ago, Macedonia has moved from interethnic conflict to reconciliation, becoming a more resilient democracy and contributing to U.S. policy goals of peace and stability in the region and beyond. Neither President Boris Trajkovski's tragic death in February, nor the March unrest in Kosovo, proved a danger to Macedonia's stability or deterred it from the path of

political, military and economic reform. Macedonia's success owes much to the efforts of the international community, which engaged to deter broader conflict, but most of all it is the achievement of the people of Macedonia.

Much of that credit goes to the late President Trajkovski, a staunch ally of America and a good friend of many in this room. The Framework Agreement, long his primary focus, has become his lasting legacy.

With the election of former Prime Minister Crvenkovski to succeed Trajkovski as president in overall free and fair elections in April, and with the parliament vote for former Interior Minister Kostov as Prime Minister in early June, Macedonia's multiethnic governing coalition remains committed to peace, stability and inter-ethnic tolerance.

And it shows:

For the first time since 1993, Macedonia has no foreign military peacekeeping mission on its soil.

The government is making progress on reforms, including important inroads against corruption through some key arrests.

Macedonia has applied formally for EU membership and is hoping to become a candidate country within the next year.

In this regard, we and our international community partners in Skopje continue to support the coalition's efforts to bring the final major pieces of decentralization legislation required by the 2001 Ohrid Framework Agreement to completion this summer, in preparation for municipal elections this October. While work remains, we want to see Macedonia continue on the right path.

CROATIA

And as we do with Croatia.

When Croatia's new government came to power, we resolved to judge it by its actions.

Since the beginning of 2004, Croatia has turned over four Croatian and five Bosnian Croat indictees to the ICTY. We applaud these positive moves by Zagreb officials and hope this trend will continue with the arrest and transfer of Ante Gotovina.

Working with its partners in the Adriatic Charter, Albania and Macedonia, Zagreb is preparing to assume the responsibilities of NATO membership. As noted in the communiqué at the Istanbul Summit, NATO insists on full cooperation with the ICTY and bringing to justice all those indicted by the Tribunal. The communiqué also acknowledges the progress that all three states have made in their quest for NATO membership and tasked NATO Foreign Ministers to keep the enlargement process under continual review.

One of the criteria for evaluating an aspirant's candidacy is regional cooperation, and Croatia has taken steps to improve its relations with neighboring states. Economic and political contacts are expanding, and increased attention has been given to the situation of ethnic minorities within Croatia. The current government has made positive, concrete steps on returns and appears to be making a concerted effort to meet aggressive deadlines for settling housing reconstruction and occupancy rights cases. Of the 190,000 homes damaged or destroyed by the war, 125,000 have been reconstructed by the government and the international community; most Croatian homes have been reconstructed, and now the government is focusing on reconstructing homes belonging to ethnic Serbs. When the current government assumed office in December, there were approximately 500 cases of illegal occupancy left unresolved (of 2000 plus at the end of the war). Now only some 55 remain to be resolved—a resolution of some 90 percent in six months. After years of avoiding the issue, the government has made some progress towards providing apartments for tenancy rights holders, but much work remains to be done.

Of the nearly 300,000 Serbs who fled Croatia during the conflict there, only approximately 137,000 have returned. More than 200,000 refugees remain displaced in Serbia and Montenegro and Bosnia and Herzegovina, and a recent OSCE study indicates that as time goes on, they are less likely to return and more likely to integrate into the community in which they have been living for the past decade. We continue to work closely to encourage the government to ensure local government cooperation provides a welcoming atmosphere for those displaced persons who wish to return to their homes, including working to ensure groundless war crimes indictments against Croatian Serb refugees are dismissed.

We continue to work with Croatia in securing an agreement to exempt U.S. citizens from the International Criminal Court. With such an agreement, also known as an Article 98 agreement, the United States will be better able to assist Croatia in carrying out the needed military reforms for NATO membership.

We also are working closely with Zagreb on a possible troop contribution to the Coalition forces in Iraq. Currently, Croatia has deployed troops to the ISAF mission in Afghanistan, where they have performed admirably. We look forward to the day when the Coalition bringing peace and stability to a free Iraq includes Croatian forces.

ALBANIA

Albania continues to be a staunch ally in the Global War on Terrorism. Albanian troops are serving with distinction in Afghanistan and Iraq, and the government has recently stated its intention to increase its forces in Iraq.

The government has frozen terrorist assets and maintains a watchful eye against foreign extremist elements seeking to influence the overwhelmingly moderate Muslim community. With U.S. and international donor help, Albania has made gains in controlling corruption, increasing transparency, and curbing organized criminal activities such as human trafficking and narcotics smuggling. Albania's ability to hold free and fair parliamentary elections in summer 2005, and particularly its ability to resolve election disputes according to the rule of law, will be an important indicator of the country's progress towards democratization.

CONCLUSION

Mr. Chairman, the issues you have asked me to address here today, the "Unfinished Business in the Balkans," remain daunting when laid out so starkly. But with your great experience in this part of the world you know well how long a road we have traveled in the past decade. Ten years ago, when the region was torn by wars fostered by those who fuelled ethnic hatred, reconciliation was barely a dream. I wish I could say that every day that dream seems closer to being realized, but even in the "two steps forward, One step back" manner in which progress is made in the Balkans we have much cumulative success to celebrate. Mr. Chairman, with the support of the Congress we will continue to press forward, and with perseverance I believe we will see all the nations of the Balkans take their rightful place in that Europe of President Bush's vision at last whole, free and at peace.

Thank you, Mr. Chairman, and I look forward to answering any questions you may have.

Senator VOINOVICH. Thank you, Ms. Stephens.

Our next witness is Mira Ricardel. We are very happy to have you with us.

STATEMENT OF MIRA R. RICARDEL, ACTING ASSISTANT SECRETARY OF DEFENSE, INTERNATIONAL SECURITY POLICY, U.S. DEPARTMENT OF DEFENSE

Ms. RICARDEL. Mr. Chairman, thank you for the opportunity to testify on the Balkans. It is indeed an important subject. I will summarize my statement that I have submitted to the committee and ask that it be included for the record.

As President Bush has said, we went in to the Balkans together with our NATO allies and we will go out together. Our military approach in Bosnia and Herzegovina and Kosovo has been to adjust force levels in response to changing security situations. A fundamental objective with all of the Balkan countries is for us to enable them to provide for their own security as rapidly as possible and to facilitate their integration into Euro-Atlantic institutions.

During the recent NATO summit at Istanbul, heads of state and government agreed to conclude NATO's successful SFOR operation in Bosnia and Herzegovina by the end of the year. NATO headquarters, headed by an American general, will form the alliance's residual military presence in that country. The headquarters will have the principal task of supporting Bosnia's already promising defense reforms, advancing counter-terrorism and supporting the apprehension of indicted war criminals such as Radovan Karadzic.

As you have noted in your opening remarks, and as my colleague, Kathy Stephens has noted, challenges remain in Kosovo. Although progress is being made, it is slow, probably slower than we would like. There are still significant difficulties with freedom of movement and return of ethnic minorities. The primary threat continues to come from internal, loosely organized extremist and criminal groups, some of which have transnational links.

KFOR is tasked with building a secure environment to facilitate democracy, including deterring renewed hostility, ensuring public safety and order, supporting humanitarian assistance, and coordinating with the U.N. interim administration mission in Kosovo, also known as UNMIK. Pursuant to U.N. Security Council Resolution 1244, UNMIK is responsible for civilian administration in Kosovo, including the maintenance of civil law and order.

KFOR started in 1999 with a force totaling 40,000 troops on the ground. There are now less than 18,000, of which about 1,800 are U.S. At Istanbul, NATO heads of state confirmed that a significant KFOR presence remains essential to security and to promote a political settlement.

Unfortunately, this past March a wave of mob violence broke out in the province. Although brief, the spasm of violence claimed 19 lives in several ethnic communities. Property damage was significant and the Serbian community suffered the greatest losses. KFOR responded swiftly, but there is room for improvement. A NATO lessons learned study highlighted areas where KFOR could increase its effectiveness. In particular, the troops in KFOR need to be less hampered by national restrictions. U.S. forces performed admirably during the crisis. They are not subject to any limitations or restrictions identified in NATO's study.

We have adopted a regional approach to managing military forces in the Balkans. U.S. European Commander General Jim Jones has placed all U.S. forces serving in the Balkans under the operational control of Admiral Johnson, who commands NATO's Joint Forces Command in Naples, Italy. This provides much more flexibility to move forces around the region as needed. Under the joint operations area, or JOA, approach, NATO conducts a periodic mission review, or PMR, every 6 months, which evaluates the security situation on the ground and makes recommendations, including on force levels. The review is then submitted to the North Atlantic Council for decision. At Istanbul, the North Atlantic Council, or NAC, decided not to reduce KFOR's size at the present.

The JOA also provides for the use of reserve forces at the tactical, operational, and strategic levels. For example, during the March riots in Kosovo, NATO was able to surge an additional 3,000 troops within a few days, the first arriving in less than 24 hours.

Of continued concern is that indicted war criminals, particularly Radovan Karadzic, Ratko Mladic, and Ante Gotovina, remain at large. As long as Karadzic is not apprehended, Bosnia will not be able to achieve Euro-Atlantic integration, and the same applies to Serbia and Montenegro. Full cooperation on war crimes issues remains an important condition for normalizing U.S. military-to-military relations with Serbia and Montenegro.

On June 19, 2003, Serbia and Montenegro formally applied for membership in NATO's Partnership for Peace. We support Serbia

and Montenegro's PfP membership once it meets remaining conditions set by NATO, which are: full cooperation with The Hague, and dropping the suits at the International Court of Justice against eight NATO countries that stemmed from the Kosovo air campaign of 1999.

We are hopeful that the June 27 election of pro-Western reformer Boris Tadic as Serbian President will be a turning point and that he will succeed in clearly and firmly orienting Serbia and Montenegro toward NATO and the West. As Minister of Defense, he spearheaded several concrete defense reforms, including empowering and reorganizing the Ministry of Defense to provide greater civilian control of the military, reducing the armed forces, reshaping the military intelligence service in accord with democratic norms, and taking steps to eliminate corrupt Milosevic-era institutions and individuals.

DOD is working to develop a program of technical assistance and other activities to assist the Ministry of Defense in its reform efforts.

Mr. Chairman, I am also pleased to announce the United States and the Government of Serbia and Montenegro have agreed to establish a state partnership program with the Ohio National Guard. We think that that will help them advance civil military relations, and we thought that would be particularly pleasing news to you, sir.

Macedonia, Croatia, and Albania are on the path to NATO membership. They are participating in NATO's Membership Action Plan, which includes the development of reform plans for their military establishments. The biggest challenges for these countries are to maintain a steady pace on defense reform, strengthen interoperability with NATO, and develop niche capabilities.

We have completed a defense assessment for each of these three countries to assist them with planning and implementing defense reform priorities and building more flexible, mobile forces. While these countries continue to focus on internal challenges, they are also making valuable contributions to global security and freedom. All three are involved in the global war on terrorism. Macedonian and Albanian troops are participating in ISAF in Afghanistan. Macedonian forces are deployed with the 1st Infantry Division in north central Iraq, and Albanian forces are stationed in the north in the Mosul area. In early 2003, Croatia deployed military police to participate in the ISAF mission in Afghanistan, and this initial 6-month rotation has been renewed three times.

Secretary Rumsfeld has remarked how much Europe and NATO have changed in the past decade. The Balkans have certainly changed dramatically in that period as well, for the better. But as you have pointed out, there is still work to be done. As post-Communist countries, they must institute democratic reforms across the board. The military is one important component of the larger structural changes that must take place. With our participation in NATO operations and our bilateral military cooperation with each of the countries in the region, we are helping them both take responsibility for their own security and make their own contributions to peace in Europe and the world.

Thank you, Mr. Chairman.

[The prepared statement of Ms. Ricardel follows:]

PREPARED STATEMENT OF MIRA R. RICARDEL

Mr. Chairman and members of the Committee, thank you for inviting me to testify about on-going efforts by countries in the Balkans to normalize their military relations with the U.S. and NATO, and to ensure regional stability. Recently the U.S. Department of Defense held annual bilateral defense consultations with Macedonia and Albania and will do so next week with Croatia. All three countries are making impressive strides to advance defense reforms and prepare themselves for NATO membership. Furthermore, they have made the transition from consumers of security assistance to contributors as allies in the Global War on Terrorism.

One of the most important lessons we have taken from our experiences in Bosnia-Herzegovina is the need to encourage self-reliance from the very beginning—to avoid actions that create an enduring dependency and help these societies take responsibility for their own governance and security as soon as possible. This lesson was applied well over a year ago in Macedonia as NATO successfully completed Task Force Amber Fox to provide a safe and secure environment for implementation of the Ohrid Framework Agreement following widespread civil conflict in Macedonia in 2001.

As President Bush has said, we went in to the Balkans together with our NATO Allies and we will go out together. Our approach is to adjust force levels in response to changing security situations, and enable our partners in the Balkans to provide for their own security as rapidly as possible.

BOSNIA AND HERZEGOVINA

During the recent NATO Summit at Istanbul Heads of State and Government agreed to conclude NATO's successful SFOR operation in Bosnia and Herzegovina by the end of the year. We can all take pride in this accomplishment along with the Bosnian people. The Summit stressed that while NATO's military relations with Bosnia are being placed on a normalized footing, NATO's long-term commitment to Bosnia remains unchanged. A NATO headquarters, headed by an American general, will form the Alliance's residual military presence in the country. The headquarters will have the principal tasks of supporting Bosnia's already promising defense reforms, advancing counter-terrorism, and supporting the apprehension of major indicted war criminals such as Radovan Karadzic.

In March Bosnia officially formed a state-level ministry of defense and general staff signaling a new era in the country's military structure. This was the outgrowth of excellent work by the Bosnians, High Representative Lord Paddy Ashdown, and former Senate staffer and Assistant Secretary of Defense, Jim Locher, who heads the Bosnia Defense Reform Commission. Bosnia is getting closer to joining PfP. However, as the Istanbul Summit Communiqué notes, Bosnia has failed to live up to its obligation to cooperate fully with The Hague War Crimes Tribunal, largely due to obstructionist elements in the Republika Srpska. The U.S. strongly supports the strong actions of High Representative Ashdown to dismiss from office Serb officials seeking to obstruct Bosnia's efforts to render indicted war criminals to justice.

Bilaterally, Bosnia and Herzegovina has been responsive to U.S. concerns. Bosnia was one of the first countries to ratify an Article 98 agreement to protect U.S. service personnel. Recently Bosnia offered a troop contribution of explosive ordnance disposal experts to the coalition in Iraq.

KOSOVO

Challenges remain in Kosovo, although progress is being made. The goal in Kosovo is to establish the rule of law and rebuild institutions capable of providing a safe, secure and prosperous environment for all of its inhabitants, while ensuring that it does not become a safe haven for extremism, terrorism or criminal elements. Significant difficulties remain with freedom of movement and return of ethnic minorities. The primary threat continues to come from internal, loosely organized extremist and criminal groups, some of which have transnational links.

KFOR is tasked with building a secure environment to facilitate democracy—including deterring renewed hostility, ensuring public safety and order, supporting humanitarian assistance and coordinating with the UN Interim Administration Mission in Kosovo (UNMIK). Pursuant to UN Security Council Resolution 1244, UNMIK is responsible for civilian administration in Kosovo, including the maintenance of civil law and order. The review date strategy, endorsed by the UN Security Council requires measurable progress in the development of functional political, economic and judicial institutions before determining Kosovo's final status.

KFOR started up in 1999 with a force totaling 40,000 troops on the ground. There are now less than 18,000 (1,800 U.S.). At Istanbul, NATO heads of state confirmed that a significant KFOR presence remains essential to security and to promote a political settlement. This past March, a wave of mob violence broke out in the province. During the March 17-19 period of violence, international peacekeepers actually faced hostile fire.

Although brief, the spasm of violence claimed 19 lives in several ethnic communities. Property damage was significant, and the Serbian community suffered the greatest losses. These events highlighted that the stability we had witnessed in prior months was fragile. It also revealed some underlying weaknesses of UNMIK and the Kosovo Police Service in coping with threats to law and order.

KFOR's swift response was essential in halting the March violence. A NATO "lessons learned" study highlighted areas where KFOR could enhance its effectiveness, in particular, the troops in KFOR need to be less hampered by national restrictions.

SACEUR General Jones is seeking to eliminate these restrictions—also known as national caveats—on how COMKFOR can use the troops. U.S. forces performed admirably during the crisis; they are not subject to any limitations or restrictions identified in NATO's study. KFOR's robust rules of engagement need to be fully applied by all troop contributors. Also KFOR soldiers need to have the equipment and training to handle riot control. Intelligence capabilities need improvement in order to better anticipate and then act to prevent such incidents in the future. Finally, KFOR needs to reduce the "tooth to tail" ratio to ensure that the maximum number of troops are actively patrolling.

The United Nations Mission in Kosovo (UNMIK) needs to take steps to strengthen its performance. We consider this a top priority, especially in the field of civil security, where the local multi-ethnic Kosovo Police Service is being developed so that it may in the future handle many duties KFOR must currently perform. This is essential. We look forward to the change in leadership at UNMIK, including a strong new Special Representative of the Secretary General (SRSG) in Soren Jessen-Petersen and an American Principal Deputy.

MOVING TO A REGIONAL APPROACH TO FORCE STRUCTURE AND DEPLOYMENT

We have adopted a regional approach to managing military forces in the Balkans. USEUCOM Commander General Jim Jones has placed all U.S. forces serving in the Balkans under the operational control of Admiral Johnson who commands NATO's Joint Forces Command based in Naples, Italy. This provides much more flexibility to move forces around the region as needed. Under the Joint Operations Area (JOA) approach, NATO conducts a Periodic Mission Review (PMR) every six months which evaluates the security situation on the ground and makes recommendations, including on force levels. The Review is submitted to the North Atlantic Council (NAC) for decision. At Istanbul the NAC decided not to reduce KFOR's size at present.

The JOA provides for the use of reserve forces at the tactical, operational and strategic levels. These forces are able to deploy rapidly from within the theater and from "over-the-horizon" locations in the event of a crisis. For example, during the March riots in Kosovo, NATO was able to surge an additional 3,000 troops within a few days, the first arriving in less than 24 hours.

In both Bosnia and Kosovo we have pioneered the use of small, strategically-positioned "forward operating bases" to inject an international troop presence in specific areas. This presence advances important goals such as inter-ethnic cooperation and refugee returns by the sense of confidence and security having troops in local areas provides.

INDICTED WAR CRIMINALS

Of continued importance and concern is that indicted war criminals, particularly Radovan Karadzic, Ratko Mladic, and Ante Gotovina, remain at large. Protected by criminals associated with extremist parties, Karadzic's continued influence on Bosnian Serb politics is a cancer in the body of the Bosnian state. As long as Karadzic and his associates move about freely, Bosnia will not be able to achieve Euro-Atlantic integration. The same applies to Serbia and Montenegro which continues to harbor Ratko Mladic. Full cooperation on war crimes issues remains an important condition for normalizing U.S. military to military relations with Serbia and Montenegro.

SERBIA AND MONTENEGRO

On June 19, 2003 Serbia and Montenegro formally applied for membership in the Partnership for Peace. We support Serbia and Montenegro's PfP membership once it meets remaining conditions set by NATO, which are: (1) full cooperation with The

Hague; and (2) dropping the suits at the International Court of Justice against eight NATO countries stemming from the Kosovo air campaign of 1999.

We hope that the election on June 27 of pro-Western reformer Boris Tadic as Serbian President will be a turning point and that he will succeed in clearly and firmly orienting Serbia and Montenegro toward NATO and the West. As Minister of Defense he spearheaded several concrete defense reforms, including: empowering and reorganizing its Ministry of Defense to provide greater civilian control of the military; reducing its armed forces, reshaping its military intelligence service in accord with democratic norms, and taking steps to eliminate corrupt Milosevic-era institutions and individuals.

DOD is working to develop a program of technical assistance and other activities to assist the Ministry of Defense in its reform efforts once Serbia and Montenegro meets the necessary conditions set by NATO to join PfP. We hope Serbia will also sign an Article 98 agreement soon. A military bilateral affairs officer is in place working closely with the Ministry of Defense on actions to advance defense reforms. Meanwhile, we are setting the stage for future cooperation through the Joint Contact Team Program (JCTP) run by the U.S. European Command and programs carried out by the Marshall Center. Eight scheduled programs have been launched with the Serbia and Montenegro Armed Forces for 2004 on diverse subjects such as "Civilian Control of the Military," to how to develop NATO-compatible national security strategies. Current plans call for 17 such programs to take place next year.

Mr. Chairman, I am also pleased to announce the U.S. and the Government of Serbia and Montenegro have agreed to establish a State Partnership Program with the National Guard. The Ohio National Guard has kindly offered to serve as SaM armed forces' state partner. This is an important program that provides countries ongoing close links to the U.S. military in support of defense reform and transformation objectives.

MACEDONIA, CROATIA, ALBANIA

Macedonia, Croatia and Albania are on the path to NATO membership. They are participating in NATO's Membership Action Plan, which includes the development of reform plans for their military establishments. The biggest challenge for these countries is to maintain a steady pace on defense reform, strengthen interoperability with NATO, and develop niche capabilities.

We are pressing political leaders to continue making the tough decisions that are necessary for transformation. We have completed a Defense Assessment for each of these three countries to assist them with planning and implementing defense reform priorities. They are taking steps to reduce the sizes of their respective armed forces and to restructure them to build more flexible, mobile forces that can better contribute to NATO. In Macedonia and Albania, for example, we have Defense Department contractors advising the governments on how best to implement reforms they have decided to make.

During our bilateral defense consultations with each of these countries, we discuss how the Department of Defense can assist with defense reform efforts, NATO interoperability and border security capabilities to protect against proliferation of weapons of mass destruction (WMD). While these countries continue to focus on the challenges that remain inside their own borders, and are active in PfP, they also are making valuable contributions to global security and freedom. For example, all three have supported the U.S.-led coalition in the Global War on Terrorism. Macedonian and Albanian troops are participating in ISAF in Afghanistan and are serving side by side with U.S. troops in Iraq. Macedonian forces are deployed with the First Infantry Division in North Central Iraq, and Albanian forces are stationed in the North in the Mosul area. In October 2002 Croatia intercepted the Boka Star, a ship that was transporting military items to countries of concern. In early 2003, Croatia deployed military police to participate in the ISAF mission in Afghanistan. This initial six month rotation has been renewed three times. Croatia is also seriously considering contributing to a Provincial Reconstruction Team in Afghanistan. We hope that the Government of Croatia will sign an Article 98 agreement with the U.S. soon.

Military to military relations between Albania, Croatia and Macedonia have been expanding, underscored by the June 16 meeting of defense ministers in Ohrid. These MAP countries have shown they are serious about their commitment to defense transformation and are prepared to join the ranks of NATO allies in tackling the security challenges of the 21st century.

CONTRIBUTING TO REGIONAL STABILITY AND INTERNATIONAL SECURITY

Secretary Rumsfeld has remarked how much Europe and NATO have changed in the past decade. The Balkans has certainly changed dramatically in that period as well—for the better—but there is work still to be done. As post-communist countries, they must institute democratic reforms across the board—the military is one important component of the larger structural changes that must take place. With our participation in NATO operations, and our bilateral military cooperation with each of the countries in the region, we are helping them both take responsibility for their own security and make their own contributions to peace in Europe and the world.

Senator VOINOVICH. Thank you very much.

After the March 17 incidents, there was an evaluation of KFOR, and I would be interested in your perspective on lessons learned. I saw some tapes of a situation where KFOR forces looked on while people literally burned down a church, and there was an uneven understanding of what responsibilities KFOR had under the circumstances that arose.

I was pleased that Admiral Johnson was able to move—I thought it was 1,800, but they moved in some 3,000 troops, which is pretty impressive they were able to get them in there.

First of all, how many troops do we have right now in Kosovo? And now that we have got a new individual succeeding Holkeri, what changes do you think need to be made in KFOR in order to bring about freedom of movement and human rights and rule of law?

Ms. RICARDEL. Mr. Chairman, would you like me to start with the military lessons learned?

Senator VOINOVICH. Yes, I would.

Ms. RICARDEL. Given exactly the incidents that you pointed out, NATO immediately moved to look at what could be done better and differently. One of the major problems that we have had in KFOR—and it is not unique to KFOR—is national restrictions or national caveats. These include restrictions that certain countries place on their forces to be involved in riot control. They involve restrictions on the use of lethal force, for example, in certain conditions that do not necessarily just affect their own personal safety. There are restrictions that some countries had on the movement of their troops from one sector to another. This has greatly complicated the commander's ability to move forces effectively, quickly and swiftly.

So what we have done bilaterally and also within NATO, what SACEUR General Jones has done is to raise this as a high priority issue with countries to ask them to limit their restrictions or lift them completely, which is the way U.S. troops operate. That is why U.S. troops performed so well, is that they were able to be deployed as needed.

In addition, KFOR has taken other measures, for example, stepping up presence patrols in Serbian communities and neighborhoods. These patrols are being conducted jointly with the Kosovo police service and UNMIK police.

We have also tried to address the need for greater coordination, information sharing and coordinated activity; a Kosovo-wide security advisory group has been formed with the leaders of these various institutions, but also leaders of ethnic communities. We need to be able to better monitor, coordinate, and streamline our actions.

So it is really a two-part problem, but we are trying to address it. SACEUR is trying to address it within NATO and the NATO Secretary General, but we are also trying to address it bilaterally with countries.

If you need more details on the specific countries, I cannot do that in open session, but we would be pleased to provide it to you, sir.

Senator VOINOVICH. I would like that very much.

How many NATO troops do we have altogether?

Ms. RICARDEL. I am sorry. We have about 18,000.

Senator VOINOVICH. So there are 18,000 KFOR troops.

Ms. RICARDEL. And 1,800 U.S.

Senator VOINOVICH. Originally we had how many?

Ms. RICARDEL. We had about 44,000 total, and the U.S. was about 6,000 of that.

Senator VOINOVICH. So we are down to 1,800.

Ms. RICARDEL. Right.

Senator VOINOVICH. What is the total again?

Ms. RICARDEL. The total now is just around 18,000.

Senator VOINOVICH. Do you believe that is adequate to get the job done?

Ms. RICARDEL. Yes, sir, and I believe that is the consensus view of our allies. We go through this 6-month periodic review and look at the security situation on the ground, not just in terms of what are the force levels, but what is the mix of forces and what it is we can do better. And we have supplemented that, as I have said, with this NATO lessons learned study, specifically with respect to Kosovo.

Senator VOINOVICH. I really think that visiting with the other countries in terms of the restrictions that they have on their troops is very important because if the people that were responsible for the destruction are aware that NATO troops are limited, then they are going to continue to do it if they so choose. So I think that a new chapter is very, very important in terms of what are the responsibilities of KFOR, and we ought to make every effort we can to get those other countries to step up to the table.

The other concern I have is in Bosnia. There has been some concern about whether or not we are going to pull our people out of Bosnia. The last time I was there—I must admit it was a couple years ago, but I will never forget traveling in Tuzla with our men from Task Force Eagle. I asked them what happens when you leave, and the same response I received, several others received when they were traveling, and that is they were going to start killing each other again. In spite of the fact that we have a new governmental structure there, there are many of us that are concerned that things are not really working and that if it was not for Paddy Ashdown and his involvement there, that things could deteriorate.

The real issue is—Ms. Stephens, you may be better able to answer this question—does the political structure that we have in place there get the job done? From what I understand, in the Republika Srpska, the nationalism growing in, the Croatian part, nationalism is growing. Nationalism has been so bad in the Republika Srpska that I think Ashdown fired a bunch of people that were in the government. So it does not seem to me that after

all the time we have been there, that we have seen that much progress.

Ms. STEPHENS. Yes, thank you, Mr. Chairman. Perhaps I could say a word about Bosnia and go back to Kosovo as well. I had a comment on that, if I may.

At the Istanbul summit, as Assistant Secretary Ricardel has already noted, it was announced that SFOR would complete its mission at the end of this year and an EU force would take up a new mission in Bosnia and Herzegovina. We base this on our evaluation that the NATO mission, the SFOR mission, has completed and succeeded in its mission, which you will recall was to stop a war and to enforce the peace and to separate two warring armies.

The situation in Bosnia and Herzegovina does still have a long way to go to be on that path to Euro-Atlantic integration, but we do think that the reforms over the past several years have been extremely important and very promising, notably in defense reform and the establishment of a state level defense institution, as well as on the intelligence side, and that the kind of mission that now needs to be performed in Bosnia and Herzegovina is one that is appropriate to the sort of force that the EU is looking to send in there.

The other I think crucial point I would make is that NATO is not leaving Bosnia and Herzegovina. As Ms. Ricardel has noted, this NATO office that will be established in Bosnia will continue to work on the essential tasks of the search for indicted war criminals, counter-terrorism, and supporting further defense reform. In my several trips over the last 6 months and talking to people on the ground and throughout Bosnia and Herzegovina, I think the sense is that balance may be about right, that the way we have defined these tasks allows us to have in place the kind of presence which will support Bosnia and Herzegovina and it will continue to need support as the reforms continue.

Senator VOINOVICH. Ms. Ricardel.

Ms. RICARDEL. Yes. I think it is important to emphasize again that it is not a change in NATO's commitment. It is a change in the nature of our presence. And it is designed to reflect the changes on the ground and to focus on the different kinds of problems that Bosnia has today compared to what things were some years back. Paddy Ashdown's efforts have been quite significant in law and order. We expect that the European Union force will have a new and distinct mission and that NATO, as I mentioned, under the leadership of an American general, will take on the task of assisting defense reform, counter-terrorism, apprehension of war criminals, and also intelligence sharing with the European Union.

As Secretary Rumsfeld has pointed out in some of the remarks he has made, it is also important for the Bosnians to start taking greater responsibility for their own security and that a prolonged dependency is not healthy. So we want to do this responsibly and move them to the next phase.

Senator VOINOVICH. Are there any plans that the presence of Paddy Ashdown and company—when will that end?

Ms. STEPHENS. In fact, the steering board, which meets with the High Representative Paddy Ashdown every 3 months to review—the international body, of which we are a member, to kind of re-

view where we are in Bosnia and Herzegovina has begun to talk about this, about the future of the office of the High Representative. As you say, it should not go on forever. Next year will mark the 10th anniversary of the Dayton Accords.

I think we are beginning to talk with our allies and with Lord Ashdown about his key missions. And he has identified several key areas which, as the office of the High Representative is downsized, he wants to concentrate on. These are mostly in the areas of economic reforms, some continued defense reform, some further strengthening establishments of important state level institutions, including police, which was highlighted by Lord Ashdown when he took the recent action, as you noted, against elements of the Serbian Democratic Party in Republika Srpska, the need to establish a more effective state level policing institution. He has made clear that he is going to concentrate his efforts on that over the coming year, and that as we look to move Bosnia and Herzegovina further along that path, further along the path toward Partnership for Peace, that his mission there and the international presence there also needs to evolve and change.

Senator VOINOVICH. Well, from what I have been able to read, it seems that the governmental structure that was laid out, I am not necessarily sure is getting the job done. It may be time for it to be looked at again to see how it can be set up so that he can leave, and that presence is not there.

From a military point of view, part of the reason why we have troops there is because—is there any indication that we have al-Qaeda there? You are talking about terrorism. Is there concern about cells that are in Bosnia and Herzegovina?

Ms. STEPHENS. Mr. Chairman, first, to go back in terms of the government structures, simply to say briefly I think we all recognize that the Dayton Accords and the Dayton arrangements were hard fought and hard won compromises, and I do not think anyone would claim that they are perfect. They have gotten us to where we are. Certainly we would hope that the elected leaders of Bosnia and Herzegovina would find a way to move from Dayton to better structures as they develop politically and economically.

On the question of concerns about terrorist activities and al-Qaeda activities in particular in Bosnia and Herzegovina, this is an issue on which we have, over the past some time, worked closely and consulted closely with officials in Bosnia and Herzegovina. As of course you know, Bosnia and Herzegovina is a fairly secular society. It is not a place where we have found that radicalism breeds easily, but it is an area that we need to watch closely. The leaders there recognize they need to watch closely. And we have had some very good cooperation in terms of identifying organizations, charities which seem to be somewhat questionable and taking action to stop that.

Senator VOINOVICH. Thank you.

We have been joined by the ranking member of this committee, Senator Biden. Senator Biden, we welcome you. I know of your great interest in this area, and we have talked about it.

Senator BIDEN. Well, Mr. Chairman, thank you very much. I apologize to the witnesses for being late. Mira, it was all Bob Dole's fault. I just want you to know that.

I am only kidding. It was not. I was at another meeting and I am sorry.

It is good to see you back here in this capacity. It was fun working with you back when no one would listen to any of us.

Ms. RICARDEL. Thank you, sir.

Senator BIDEN. It is nice to have you back here. Thank you very much.

Mr. Chairman, I have a statement. The good news about my being late is I will not read my statement. So I would ask unanimous consent my opening statement be placed in the record. I would like to ask a few questions, if I may.

Senator VOINOVICH. Without objection.

[The opening statement of Senator Biden follows:]

OPENING STATEMENT OF SENATOR JOSEPH R. BIDEN, JR.

I'd like to begin by thanking my friend and colleague from Ohio, Senator Voinovich, for holding this hearing. His expertise and constant engagement in Balkan affairs provide great leadership here in the Senate and directly contribute to peace and stability in the Balkans.

We have a particularly outstanding group of witnesses today, and I'm anxious to hear from them.

I do, however, want to emphasize a few key points. First, like the former Yugoslavia's physical geography, its political development during the last few years has seen both mountains and valleys.

The Yugoslav successor states have recovered from the blood-letting of the 1990s with varying success and at different speeds.

To continue the geographic metaphor, the Balkans' tallest mountain, Triglav, is found in the most successful Yugoslav successor state, the Republic of Slovenia. In its own unassuming, business-like way, Ljubljana joined NATO at the end of March, and the European Union on May 1st—quite an achievement and, one would hope, a role-model for the region.

At the other end of the spectrum we have Kosovo, which still remains an international protectorate, and which erupted into widespread and serious inter-ethnic violence on March 17th.

Twenty people were killed, hundreds were injured, thousands were displaced, and hundreds of homes and more than thirty churches were destroyed.

In response to the violence in March, KFOR intervened effectively in a few places, the most notable example being American troops in stopping several busloads of armed hoods from attacking the monastery town of Gracanica, south of Pristina.

But in other areas European KFOR troops stood aside while rioters burned down churches and homes.

The violence was ugly. It was inexcusable. It was avoidable. And it must never reoccur. Unfortunately, it is difficult to be confident that it will not.

The United Nations Mission in Kosovo, UNMIK, now has a new head and is attempting to streamline the overly ambitious benchmarks it had previously set as a precondition for discussion of the final status of the province.

But Progress remains slow and mutual distrust remains intense.

The neighboring Former Yugoslav Republic of Macedonia suffered a terrible loss last winter when its highly respected President, Boris Trajkovski, was killed in a plane crash.

The new President and the current Prime Minister—who heads a coalition of ethnic Macedonian Slav and ethnic Albanian parties—are trying to implement the agreement that ended a civil war in 2001. Decentralization and reform of local government is the key, and success will be difficult.

Elsewhere, the picture is somewhat more hopeful. Croatia is making steady progress toward accession to the European Union. As part of this, Zagreb has been cooperating with the International Criminal Tribunal for the Former Yugoslavia, as evidenced by its decision to send a former Croatian general to The Hague to face war crimes charges against Serb civilians.

That's encouraging. But Croatia still has work to do by apprehending and extraditing another prominent war crimes indictee, General Ante Gotovina.

A similar situation exists in Serbia and Montenegro, where failure to cooperate with The Hague continues to stifle progress toward membership in NATO's Partnership for Peace, and eventually in NATO itself and in the EU. Efforts to send former

Bosnian Serb General Ratko Mladic to face war crime charges have been thwarted consistently, and four indicted Serbian generals remain free.

Despite this ongoing lack of cooperation, there have been significant signs of progress. On June 27th the Serbian people elected Boris Tadic, former Defense Minister and a committed democratic reformer, as their President.

I met with Mr. Tadic at the end of April here in Washington. He is a most impressive man—just the kind of democrat Serbia needs.

I congratulate Mr. Tadic on his election and urge him to use the prestige of his new office to continue reform efforts in order to bring Serbia into European and transatlantic institutions.

A word is in order on the other part of the Union of Serbia and Montenegro. This “marriage” was largely forced upon Montenegro by the European Union, with the Bush administration opting out of the process.

Whatever the ostensible rationale was for the creation of the union, it does not seem to have worked. Late last month Serbia’s most respected economist said publicly that the economies of the two countries have been unable to merge.

Montenegrin Prime Minister Djukanovic—another Balkan leader with whom I have met several times—is an ardent champion of independence for his country. The electorate is divided on the issue, with the most likely result of a referendum a slim majority for independence.

I will be interested in the opinions of our distinguished witnesses on this and other delicate issues.

The bloodiest of the Wars of the Yugoslav Succession in the 1990’s occurred in Bosnia and Herzegovina.

I met in June with Bosnian Prime Minister Terzic, to congratulate him on his country’s painful but significant progress toward stability. But, as in Serbia, that progress and integration into Western institutions will be incomplete as long as Radovan Karadzic remains free in the Republika Srpska.

I have no doubt of the complexity and delicacy of locating and arresting persons indicted for war crimes.

But it will be absolutely impossible for Bosnia and Herzegovina to move forward until Karadzic is in The Hague.

My own advice to the administration on this matter is simply not to even consider any compromise. Both of these gentlemen must be apprehended, without conditions, and sent to The Hague.

I will conclude with two general observations.

First, in order for us to take the battle to the terrorists in Central Asia and the Middle East, we must have a stable Europe. In other words, the stability of Europe is essential for the security of the United States.

However, even as NATO and the European Union have expanded to an extent that a few short years ago we thought inconceivable, it is clear that Europe will not be fully stable until its southeastern corner is stable. The riots in Kosovo in March prove that violence remains a reality in some areas, and a real threat in others.

Last, let me point out that the United States—because of our leadership in the Bosnian air campaign of 1995, in the Dayton Peace Accords after the fighting stopped, in the campaign to stop ethnic cleansing in Kosovo in 1999, and the resulting credibility that we have with all ethnic groups in the region—remains the critical player in the area of the former Yugoslavia.

Since SFOR will end its mission this December, and be succeeded by a European Union force, we must ensure a continuing role for the United States—not because we want or need to call the shots there or elsewhere—but because in our absence, we run the risk of destabilizing a fragile piece of strategically important real estate.

Despite the enormous strains on our military, given our commitments in Iraq, Afghanistan, and elsewhere we must remain present in the Balkans in order to maintain the course toward peace, inter-ethnic stability, and democracy.

Thank you again, Mr. Chairman. I look forward to hearing from our distinguished witnesses.

Senator BIDEN. If some of these questions have been asked already, I will obviously be briefed by staff who is here and/or read them in the record. A couple of questions.

How would either of you, or both of you, evaluate the decentralization proposal for Kosovo put forward by Belgrade back in April? Is this a serious plan for reform or is this a Trojan Horse for partition of the province? How do you read it?

Ms. STEPHENS. Thank you, Senator.

I think that one conclusion that just about everyone reached after the March violence was that we needed to look much more closely and in a more urgent way at the issue of—pick your word—effective local government, decentralization, bringing government closer to the people, doing things that would help to ensure the safety and security of all citizens in Kosovo and notably those who had been most affected by the recent violence. I think it was in that context that the government in Belgrade introduced a proposal, passed it through their parliament, and put it on the table. In terms of starting a dialog, I think that is a good first step.

I would note that in Pristina, quite encouragingly, this issue, local government, decentralization, is also very much on the agenda. There is a working group in Pristina which I understand may be coming out with its own proposals in the course of the next several weeks. I think like any negotiation, getting some ideas out there is probably the first step and getting the debate started. I think we have seen some healthy moves in that direction.

I would also note that actually this morning at the residence of our chief of mission in Pristina a meeting she hosted brought together leaders from the provisional government, from the ethnic Albanian side as well as Kosovo Serb leaders, to talk about a number of things, mostly returns, but I think there is a dialog there which will also contribute to the decentralization debate.

So to round back to answer your question, Senator, more directly, I would say that the plan as presented by Belgrade is certainly something that should be out there on the table and should become part of a discussion which we hope will lead very quickly and very concretely to some steps on the ground that can provide greater security and greater local governance to communities in Kosovo, all communities.

Senator BIDEN. Is the notion of significant autonomy or even independence still a non-starter for our European friends? How would you characterize NATO European attitudes toward the status of Kosovo?

Ms. STEPHENS. I think one of the positive things, Senator, about our work in the international community over the last year or so on Kosovo is that we have reached a common view that the way forward is on standards, and that when we have a Kosovo that has addressed the priority standards, which again the March violence reminded us and as started on the sort of chapeaux of the standards program put out by the United Nations, a Kosovo where all can live freely without fear, hostility, or danger, that until we meet that standard, talking about what the status will be really does not get us very far.

Senator BIDEN. But is that not kind of circular? A lot of folks in Kosovo say the only way that standards can be met is if they are independent, by definition, and what happened is evidence of that. How do we respond to that? What is the answer to that?

Ms. STEPHENS. Senator, my answer would be and the answer of those of us who have worked together within the Contact Group in pushing forward this notion of standards is that one thing we do know about Kosovo's future status is that it is and will continue to be a part of Europe. It needs to be fully a part of Europe and it cannot be until some basic provisions and protections are in

place. So I would say we are not persuaded by the argument that once you settle the status question, everything else falls into place. It would seem to me that when we established a time table to look at this process with a review date in mind, it was to create this sense of a way forward, of a clear vision, of how to move toward status, and that that addresses that question of uncertainty, if you like.

Senator BIDEN. I am not taking issue with it. I just want to know how you are thinking of it.

Mr. Chairman, have we discussed the thing you and I have discussed, the uneven response of KFOR forces?

Senator VOINOVICH. Yes, we talked about that.

Senator BIDEN. I will leave that alone.

And have we discussed the newly inaugurated President's position of cooperating with The Hague tribunal and Kostunica's continued insistence that it is anti-Serb—has that been discussed?

Senator VOINOVICH. It was mentioned in the testimony, but I think it would be good to get a response. I know that Ms. Stephens was with Marc Grossman, and I would be interested to know what your observations were. I agree with you in terms of Tadic and Kostunica. Do they get it yet?

Senator BIDEN. Well, at least Tadic is verbally saying he gets it. Kostunica, I do not see any evidence he has gotten it.

I would like you to discuss it any way you would like. It would be helpful to me and to us. The underlying interest I have, as a consequence of this or maybe other reasons, is Kostunica likely to try to form a new coalition? Talk to us about that a little bit.

Ms. STEPHENS. Thank you, sir.

First of all, on the question of do they get it, I think the shorter answer is, in my view having been there a number of times over the last 6 months, yes, sir, I think they do in a very keen way. That was certainly my conclusion and I think Under Secretary Grossman's conclusions from our meetings there last week.

As I did mention in my opening comments, I was reading President Tadic's inaugural speech from last Sunday, and what he had to say about cooperation with the tribunal was this: "It's a priority of our foreign policy since it is the essential precondition of all European and Euro-Atlantic integration and since it confirms our commitment to European values." So the words are right. We do look for action, and for action, we do look to President Tadic to work closely with Prime Minister Kostunica and his coalition for that action.

Senator BIDEN. If I can interrupt you, do you read anything into Tadic's election and the response of the Serbian people in electing him in terms of their willingness and understanding and support for or lack of hostility toward the tribunal? Marc and you as well, but I know Marc well, he is a very sophisticated, savvy guy, one of the best people I think we have in the State Department. My initial reaction, to reveal my unsubstantiated conclusion here, is that I took some heart from the election, in light of the competing parties, that this is not as much of a political risk for a new leader as the undercurrent suggests, everyone I have seen said do not make us do this, we do not have a consensus to do this. So factor that in as well for me, and I will not ask any more questions.

Ms. STEPHENS. Yes, Senator, I would agree with that analysis. I think that the message that the Serbian people sent in electing Boris Tadic as their President was a very strong and important one. Boris Tadic ran on a platform of cooperation with ICTY, of cooperation and moving toward Euro-Atlantic institutions, and moreover he had a track record. He had been Defense Minister, and there are a lot of things that were very controversial in terms of defense reforms. So the Serbian people knew what they were voting for. They are smart people. So I think that is a very important and powerful sign.

And I think it is also important that it is in the context of Serbia being a country which does have an experience with taking very bold steps to transfer people with the greatest responsibility for what happened in the region over the last decade, notably of course Slobodan Milosevic. And they can do it again. They can finish the job, and that has been our message to them. What we have heard also from Prime Minister Kostunica is that he understands it. As you suggested, with the election behind them, with this kind of mandate, the time seems to be now to do it.

Senator BIDEN. Well, I want to compliment the President and compliment you and compliment Marc for holding fast on this position, because I know there were other voices counseling, as there are in every administration, differing views. So I want to publicly compliment the President. I think it is critically important that it is a non-starter.

Again, I thank you both. I have many more questions, and with your permission, I will submit several. I will not overburden you, but I will submit about four questions in writing, if I may, Mr. Chairman. And I thank you both.

Senator VOINOVICH. The impression that I have is that Kostunica and Tadic understand how important it is for them to work together to create some stability in Serbia and Montenegro because that has been one of the real disadvantages they have had in terms of investment from other countries and so on. Again, I agree with you. I think that the people in the country knew what they were voting for, and I think they realized they have got to get on with sending those people to The Hague.

You may or may not be familiar with this, but I have been very, very critical of UNMIK in Kosovo and, after the March 17 incidents, asked for the resignation of Holkeri. I had spent time with his predecessor and he talked about setting up the benchmark goals and the standards and so on, but it took 2 years to really put standards with the benchmark goals that are to achieve 1244.

The question I have is how much more aggressive do you believe that Soren Jessen-Petersen is going to be? Does he get it? Does he understand that this is a significant job for him? And what are you going to do in the State Department to underscore how important you think it is to the future of the Balkans?

Ms. STEPHENS. Yes, thank you, Mr. Chairman.

Our sense has been as well that while we think we have gotten the policy about right with this emphasis on standards, on moving forward in an aggressive way and creating the kind of Kosovo that will be a stable, sustainable part of Europe, the execution has left something to be desired. I am sure there are many fingers that

could be pointed. But I think particularly in the aftermath of the March violence, we wanted to look in a very intense and fresh way at what we could do and what we needed to do both as the United States and as part of the international community and the U.N. to make this policy work and to get the execution right.

As you have already mentioned, we resolved to have meetings every 6 weeks in Pristina, to meet with UNMIK on the ground there as the Contact Group, on the margins of that meeting and in between to try to facilitate a dialog between and among parties in Pristina and Belgrade on immediate security and confidence building measures and looking forward to a decentralization discussion and also, very importantly, to engage the U.N. mission in Kosovo in a more energetic way in terms of our priorities, both ours as the United States and, again speaking with the voice of the Contact Group, on what the priority standards are and how we need to accomplish them.

We do think that appointment of Mr. Jessen-Petersen, very experienced in the region, very experienced in the United Nations, is a positive appointment. We do look forward to working with him. Marc Grossman has talked to him and visited with him on a number of occasions. I have met with him in Skopje where he now is and where we hope that he will be concluding a successful decentralization agreement or participating in that as the EU representative in Skopje now, and we think he comes to Kosovo with, again, the experience of Macedonia very fresh in his mind and very much, in terms of our dialog and that of our allies with him, getting it in terms of the priority we attach to the huge task that lies before us in the coming year.

Senator VOINOVICH. In addition to your visits, I think it is really important that we have somebody there representing us. We have had some people there that have been very good and some maybe not as good, and I really think it is important that whoever we send there really understands how important it is to make sure things are watched to see how they are progressing.

Ms. STEPHENS. Thank you, Mr. Chairman. I appreciate that.

The position of senior deputy to the Secretary General's Special Representative has traditionally been an American job, and we have proposed to the U.N. and to Mr. Jessen-Petersen someone we think is highly qualified and highly energetic and ready to take on that task. We would certainly agree with you that that is part of a new team in Kosovo to move forward aggressively.

Senator VOINOVICH. My last question is twofold but it is still the same question, do they get it? Do Mr. Rugova and Mr. Rexhepi? Now, I did meet with President Rugova when he was here a couple weeks ago, and he said the same thing to me. Let us take over. And I said, after what happened in March, you have got to be kidding me. I have spent time with you and I said, if people can have freedom of movement and they have the same rights as other people in the country, then the ultimate issue of status will be all worked out. But as long as people are fearful of the fact that they cannot move and their homes are burned down and so forth, it is going to be very difficult for you to gain any kind of a different status.

The question is, do you think they understand that, No. 1. And No. 2, one of the best indications of their understanding it is how quickly have they moved to repair and rebuild 900 homes, deal with the 4,000 refugees, and what is being done about the 30 monasteries and churches that have been burned down.

Ms. STEPHENS. Yes, Mr. Chairman. Thank you.

I believe they are getting it and we are repeating the message again and again. Every 6 weeks when we go to Pristina as part of the Contact Group, we start with two questions. What has happened in the last 6 weeks on reconstruction, on returns, on the arrest and prosecution of those responsible for the violence? And what are you going to do over the next 6 weeks? So we have tried to focus people on action. Certainly the rhetoric has changed in a positive way.

I mentioned earlier there happened to be this meeting this morning, which I think was an important meeting, at the residence of our Chief of Mission in Pristina. Out of it came a statement, which I have just seen, called a joint declaration, which was signed by President Rugova, Prime Minister Rexhepi, others from the PISG leadership, as well as three members of the Kosovo Serb coalition, which highlighted mostly the return issue. This is a positive sign. Again, it needs to be followed by action, but it is a positive sign that there is a dialog going on about specifically accomplishing something.

And I think they have certainly gotten the message that with the standards, that we do expect to measure and evaluate in an objective way with our continued engagement. There has to be an answer that is more than rhetoric. It has to be how many returns there have been and what has been rebuilt.

In terms of what has been rebuilt, Mr. Chairman, very briefly, of about 930 homes that were partially or completely destroyed in the March violence, our understanding is that with funding from the provisional authorities in Pristina, roughly a quarter of them have been rebuilt to the point where they can be reoccupied, and about another quarter are under reconstruction. That still leaves quite a few that need work.

Prime Minister Rexhepi, who I think has taken a very leading and positive role in the aftermath of the violence in getting out, engaging with the community, acting like a leader, has made it very clear that he is committed to seeing the construction finished on these damaged and destroyed homes by the autumn, and in addition to working with the Serbian Orthodox Church, with UNESCO, with the Council of Europe to restore and repair the approximately 30 damaged churches that suffered in the March violence, as well as some schools which need to reopen for September. And we will hold them to that. We will be there next week to say what has been done and we will be there again in the summer for another update, and we would be happy to provide it to you.

Senator VOINOVICH. Thanks very much. I too have some additional questions, but you have been very generous with your time.

Senator BIDEN. Can I make one brief comment?

Senator VOINOVICH. Certainly.

Senator BIDEN. I have an op-ed piece I have just written and am about to submit. I just want to lay out for you in a second the thesis of it.

I really think that there is reason for hope at this moment, particularly coming out of Belgrade I think at this moment. I should not say "particularly." Coming out of Belgrade. I think Vuk Draskovic, a flamboyant anti-Milosevic person we both know who has been here many times—I think that the constellation of players—and I cannot think of a time when in Kosovo U.S. credibility has been higher than it is right now because of the way we reacted. You are welcome to respond. I am not seeking a response. I hope that in the turnover to the EU, we understand that we should not, in effect, be also turning over our leadership role in being able, I think, to facilitate negotiations now from a stronger hand than we had at any time I think in the recent past.

So I hope you will convey at least to Marc and to the Department, the administration that I for one think this is an opportunity for us to reengage in a more intense way. Again because of our actions, I think we have a standing and a credibility. We demonstrate we mean what we say. So I just want to communicate that for your gratification.

Ms. STEPHENS. Thank you, Senator. I will take that back. I appreciate it.

Senator VOINOVICH. Thank you very much for coming.

Our next panel is Jim Dobbins, director of International Security and Defense Policy Center at RAND; Jim O'Brien, principal of the Albright Group LLC; Mr. Ivan Vejvoda, executive director, Balkan Trust for Democracy, German Marshall Fund; and Mr. Veton Surroi, who is the publisher of Koha Ditore, Pristina, Kosovo.

Thank you very much for being here. It has been suggested that if you could summarize your testimony in 5 to 8 minutes, it would be appreciated. We will begin the testimony with Ambassador Dobbins. Welcome.

STATEMENT OF HON. JAMES DOBBINS, DIRECTOR, INTERNATIONAL SECURITY AND DEFENSE POLICY CENTER, RAND

Ambassador DOBBINS. Well, thank you very much, Senator.

Senator, the U.S. policy in the Balkans has been blessed with continuity, solidarity, and bipartisanship, blessings that should be extended to our policy toward other regions. Having participated in setting some of these policies in the last administration and also having participated in this administration's early decisions to carry on with those policies, I obviously support them in large measure, and I am not, therefore, going to try to deal with every question that the committee has posed to us but simply point out one issue on which I do have a different view and a couple of others which are really no more than footnotes on existing policies or quibbles or caveats rather than a real difference.

The issue where I would advocate a change does have to do with Kosovo and the issue of Kosovo's final status. In the aftermath of the recent ethnic violence, many have asked why, after nearly 5 years of peace, reconciliation between the two major ethnic communities has not advanced further. I believe the answer is fairly simple. They do not know to what future they should become rec-

onciled. Serbs and Albanians in Kosovo are unlikely to reconcile with each other until they share a common expectation regarding Kosovo's future. Not a common goal, not a common desire. That is too much to ask at this stage. But a common expectation around which to organize their relations with each other.

This, incidentally, is not just my view. It is a view according to today's Washington Post which was recently put forward by the human rights ombudsman for Kosovo who argued that it is precisely uncertainty about Kosovo's final status which is exacerbating ethnic tensions in Kosovo.

Now, back in 1999 when the Kosovo air war came to an end, I think it made sense to defer Kosovo's final status, but we did not do this because we thought it was good for Kosovo. We did it because we thought it was good for the region as a whole. We knew—I think most of us knew—that postponing a decision on Kosovo's final status would create a situation in which the Serbs could still harbor hopes of once again becoming the majority and the Albanians would once again harbor fears of becoming the minority, and that this would be a seed of discontent between the two of them.

But we also knew that with 50,000 American and NATO troops going to Kosovo and 5,000 U.N. police and a population overwhelmingly grateful to NATO and the United States for having liberated them, that we had a breathing period in Kosovo that we could afford to turn to other problems, that we could afford to worry about the precedential impacts of Kosovo's independence on Macedonia, on Montenegro, and on Bosnia, and its impact on public opinion in Serbia. Therefore, we decided to postpone Kosovo in order to buy some breathing space to deal with these other problems.

Well, it is 5 years on. Those other problems have not been solved, but they have been improved. They are all better than they were 5 years ago, and Kosovo is still simmering and occasionally boiling over. When it does boil over, the first reaction is to say this is no time to turn down the heat, that would reward extremists, the heat being the uncertainty about its future.

So I would suggest that it is time to turn to Kosovo, that it is Kosovo's turn to become the priority issue in the Balkans for the international community to review and resolve. I would say, however, that if prolonging Kosovo's uncertainty unsettles that society, opening a prolonged international negotiation on its future could be even more destabilizing, potentially provoking just the sort of ethnic violence that the international community is seeking to avoid.

Now, the present bargain, the standards before status bargain, that has been offered to the Kosovars is basically that they should meet international standards and then the international community would allow them to open negotiations with Belgrade over their future status. In other words, if the Kosovars behave, they get an invitation back to Ramboulet. Needless to say, this incentive has failed to produce much in the way of performance.

I would propose retaining the sequence between standards and status—that is, standards first and then status—but I would propose defining both the standards we want and the status we are prepared to support. With status so defined, the leadership of Kosovo's majority community would have a greatly enhanced incentive to meet the standards.

This effect would be achieved, in my judgment, were the United States and the European Union to jointly announce their willingness to support independence for Kosovo within its current borders, provided that Kosovo's leaders demonstrate their capacity to build a society in which all of Kosovo's people can live in peace and dignity. The U.S. and EU might further specify their intention to submit a resolution to the U.N. Security Council 2 years hence establishing independence for Kosovo, provided a reasonable set of standards had been met in the interim.

So that is my suggestion of how we should deal with the issue of Kosovo, and I will leave further comments on it to the question period. Perhaps some of my colleagues here will comment as well.

Let me just very briefly make the other two points on which I am not so much differing with policy as putting a gloss on it. One is troop withdrawals from Bosnia.

During his first meeting with the NATO Council, Secretary of State Powell pledged to our European allies that we all went into the Balkans together and we will all come out together. Next year we will come out of Bosnia and they will stay.

Now, consistency is not everything, and I think there are actually some offsetting advantages to the deal that has been worked out between NATO and the EU for the EU to take over this operation, the advantages being, first of all, it does free up a small number of U.S. troops for other higher priority missions, including in particular Iraq. Second, it allows the EU to try out its new peacekeeping competency on well-trodden ground. And third, it allows NATO and the EU to try out the mechanisms which have been negotiated with so much difficulty between them whereby NATO can provide command and planning assets to the EU for these kinds of operations.

On the other hand, the number of U.S. troops being freed up in Bosnia is small, very small, and therefore the benefit is more symbolic than practical. And I am not sure that the symbolic benefit is entirely one way. It is perfectly reasonable for the United States to argue that Bosnia should be Europe's business, but this stance makes it all too easy for others to argue that Afghanistan or Iraq should be the American business, and that is not the kind of model we want to set. That is not the kind of burden-sharing arrangement that works to our advantage. Bosnia and Kosovo were both outstanding models of international burden-sharing, with the United States providing only 22 percent of the money and manpower in Bosnia and only 16 percent in Kosovo. We are going to be down to 0 in Bosnia next year and we are already down to 10 percent in Kosovo.

Now, I think that there is a missed opportunity for solidarity here which would strengthen the case for solidarity in places like Afghanistan and Iraq where there is all too little of it. So a footnote, rather than a fundamental problem.

Now, there is one difficulty with the withdrawal of NATO from Bosnia in my view, and that is that it is not a clean break, that the handover is not complete. NATO is to retain a vestigial headquarters in Bosnia in order to hunt for war criminals and terrorists. This arrangement replicates exactly the division of labor the Clinton administration adopted in Mogadishu in 1993, under which

the U.N. was to do the peacekeeping, while the United States operating unilaterally was to hunt down outlaws. The result was a debacle brought about when outnumbered American rangers hunting General Aideed had to be rescued by U.N. armored forces that had been given no notice of the U.S. operation and no opportunity to prepare for its extraction.

I think these kinds of dual headquarters and divided commands are always a prescription for difficulty. We have set the same problem up in Afghanistan already. Happily we are operating in different, noncontiguous geographic zones in Afghanistan. So NATO has one area; the U.S. has another. But in Bosnia, NATO and the EU are going to be operating in exactly the same geographic space.

I have to say I have been studying the lessons of nation-building over the last decade, and the primary lesson to be drawn from the examples of the last decade is we never learn our lessons. And I am afraid this is one that we did not learn.

My last concern—and I will not belabor it—was simply to make a comment on the balance between justice and reconciliation in the Balkans and the role of The Hague tribunal.

We are 10 years into this process. It is too late for second thoughts. We need to persevere in this agenda and the countries of the region need to fulfill their obligations. It is good news that Serbia has elected a President who is prepared to do so.

I do have doubts as to whether this arrangement makes a particularly good model for the future, however. I think that issues of what is called transitional justice in post-conflict society—those decisions need to be made in the context of an overall plan to deal with ending the conflict and establishing an enduring peace, not in isolation or in absence of an overall plan which was the case when the ICTY was established. I would note that in cases where the United States or the United Nations have put troops on the ground, have intervened to stop an ongoing genocide or other such conflict, that a more normal approach to issues of justice and reconciliation puts a much greater weight on participation by local actors in the process than we have done in the Balkans.

Thank you.

[The prepared statement of Ambassador Dobbins follows:]

PREPARED STATEMENT OF HON. JAMES DOBBINS¹

I appreciate the Committee's invitation to testify on a set of issues that has been overshadowed of late by more dramatic and alarming developments elsewhere in the world. Even as we cope with new challenges, however, it is important to preserve the gains made over the past decade in bringing peace and democracy to the Balkans.

American policy toward this region has been marked by a high degree of continuity. Having helped shape the policies in the last Administration, and helped persuade the current Administration to take these up, I naturally remain supportive of the main lines of Administration policy in the region. Rather than review each of the questions the Committee staff has posed to the panel for this hearing, there-

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fore, I will confine myself to comment on three issues, first, the process for determining the final status of Kosovo, second, the withdrawal of American troops from Bosnia, and third, the balance to be struck between the pursuit of justice and reconciliation in the region.

FINAL STATUS OF KOSOVO

In the aftermath of recent ethnic violence in Kosovo, many have asked why, after nearly five years of peace, reconciliation between the two major ethnic communities has not advanced further. I believe the answer is fairly simple. They do not know to what future they should become reconciled. Serbs and Albanians in Kosovo are unlikely to reconcile with each other until they share a common expectation regarding Kosovo's future—not a common goal or a common desire, that is too much to ask—but a common expectation around which to organize their relations with each other.

In 1999, as the Kosovo air war came to an end, the United States agreed to defer any decision regarding Kosovo's final status. Those of us who participated in these policy considerations came to this conclusion not because we thought such a postponement good for Kosovo, but because we thought it good for the region. We understood well enough that prolonged uncertainty regarding Kosovo's final status was likely to exacerbate ethnic tensions there, making Serb residents less likely to accommodate themselves to their new minority status and Albanian residents more likely to regard remaining Serbs as potential instruments of *revanchist* Serb aspirations. And so it has proved.

Recognizing these drawbacks, the United States nevertheless joined with the rest of the international community to put a decision on Kosovo's status on hold. It did so out of concern for the stability of the region as a whole, recognizing that a decision to support independence for Kosovo could make it more difficult to hold Macedonia, Bosnia and what was left of Yugoslavia together.

It is now five years on. This trade off between Kosovo and the surrounding region made sense five years ago. It makes less today. Macedonia, Montenegro, Serbia and Macedonia have all had half a decade to adjust to the realities of life after Yugoslavia, to develop closer ties with the European Union and NATO, to overcome internal divisions and settle external disputes.

In the meantime the Kosovo pot has continued to simmer, and, occasionally, to boil over, the heat source being uncertainty over its future. When it does boil over, as happened recently, the international reaction is that this is no time to turn down the heat, for to do so would reward the extremists.

Five years ago, with forty five thousand NATO troops and forty five hundred UN police on their way to Kosovo, and with the great majority of that population immensely grateful to the United States and NATO for their liberation, it made sense to give priority to the potentially more volatile situations in Macedonia, Bosnia, Montenegro and Serbia. Today, by contrast, the most volatile society in the Balkans is probably Kosovo, while NATO and the UN have less than half the soldiers and police available to keep the lid on than they did a few years ago.

If prolonging Kosovo's uncertainly unsettles that society, however, opening a prolonged international negotiation on its future could be even more destabilizing, potentially provoking just the sort of ethnic violence the international community is seeking to avoid.

The present bargain on offer to the Kosovars is that first they should meet international standards and then the international community should allow them to open negotiations with Belgrade over their future status. In other words, if the Kosovars behave, they get an invitation back to Ramboulet. Needless to say, this incentive has failed to produce much in the way of performance.

I would propose retaining the sequence of standards before status, but defining both the standards we want, and the status we are prepared to support. With status so defined, the leadership of Kosovo's majority community would have a greatly enhanced incentive to meet the standards.

This effect might be achieved were the United States and the European Union to jointly announce their willingness to support independence for Kosovo within its current borders provided that Kosovo's political leaders demonstrate their capacity to build a society in which all Kosovo's people can live in peace and dignity. The U.S. and EU might further specify their intention to submit a resolution to the UN Security Council two years hence establishing independence for Kosovo providing a reasonable set of standards were met in the interim.

Obviously, there are many permutations such an initiative might take. The essential elements, it seems to me, is that we identify both the status and the standards

with the same degree of specificity, and that we set a realistic deadline and achievable set of goals.

I think it unlikely that Russia can be brought to support such an initiative. Neither is Russia likely, in the end, to block such an outcome. Neither do I think Belgrade likely to embrace such a formula. Nor would we be doing democratic leaders there any favor by pressing them to do so. Unfortunately, agreement between Belgrade and Prestina over Kosovo's future status seems as distant today as it was five years ago. Our choice, therefore, is between reinforcing the international troop and police presence and keeping the lid on for another half decade, or moving forward now with the fairest and least destabilizing solution we can devise.

TROOP WITHDRAWALS FROM BOSNIA

During his first meeting with the NATO Council Secretary of State Powell pledged to our European allies that "we all went into Bosnia together, and we will all come out together." Next year we will come out and they will stay.

The agreement between the European Union and NATO that the former should take over the latter's peacekeeping duties in Bosnia next year has, nevertheless, a number of advantages. This arrangement frees up American forces for use in Iraq or Afghanistan. It allows the European Union to embark upon its first major peacekeeping operation on familiar terrain. It offers an opportunity to employ and test the arrangements for the EU's use of NATO planning and command structures so laboriously worked out over the last several years.

On the other hand, the number of American troops being freed up in Bosnia is comparatively small—a few hundred. Given its competing commitments, it is perfectly reasonable for the United States to argue that Bosnia should be Europe's business. But this stance makes it all too easy for others to argue that Afghanistan or Iraq should be ours.

Bosnia and Kosovo were, in their time, outstanding examples of international burden sharing, with the United States providing 22% of the peacekeeping manpower for the former and 16% for the latter. Next year the U.S. will be down to zero in Bosnia, and it is already down to 10% in Kosovo. By contrast the United States is providing three fourths of the manpower for Afghanistan, and almost nine-tenths for Iraq. There are many reasons for these disparities, but American reluctance to accept the constraints of multilateral operations is one.

After some hesitation, the Administration has embraced both peacekeeping and multilateralism. It has pledged more resources for the former, and proposed new tasks for the latter. This is to be welcomed. There remains, however, a reluctance to engage U.S. forces in the former, or subject U.S. freedom of action to the latter. In Afghanistan, the United States continues to decline any peacekeeping role for its forces and maintains a strict separation between the International Security Assistance Force, now under NATO, and Operation Enduring Freedom, still under sole U.S. command. Peacekeeping is now acknowledged as an important task, and multilateral institutions have important roles, but the United States would rather remain uncommitted to the former and unconstrained by the latter. Unfortunately, so would many others.

Despite these reservations, the change of command in Bosnia makes sense. The break is not to be a clean one, however, and the handover is not to be complete. NATO is to retain a vestigial headquarters in Bosnia in order to hunt for war criminals. This arrangement replicates almost precisely the division of labor the Clinton Administration adopted in Mogadishu in 1993, under which the UN was to do the peacekeeping while the United States, operating unilaterally, was to hunt down outlaws. The result was a debacle brought about when outnumbered American Rangers hunting General Aideed had to be rescued by UN armored forces that had been given no notice of the U.S. operation and no opportunity to prepare for its extraction.

In Afghanistan, where we also have divided command, between the United States and NATO, the respective forces are at least separated geographically, reducing the danger of fratricide and miscommunication. In Bosnia, however, NATO forces hunting war criminals will be operating on exactly the same terrain as EU troops conducting peacekeeping. And since the only reason to keep NATO engaged is to make it possible for American forces to conduct these tasks, one must assume that the NATO forces so engaged will often be American.

Given that Britain will provide the command and the core of the European Union force in Bosnia, and given the British forces have been quite assiduous and successful in capturing war criminals in Bosnia, it is not clear why responsibility for this function could not have been transferred to the EU with all the others.

JUSTICE AND RECONCILIATION

Almost a decade after the end of fighting in Bosnia the pursuit of war criminals occupies a central place in Western policies toward both Bosnia and Serbia. In Bosnia, the High Representative has just relieved sixty officials of their positions because of their failure to cooperate in the apprehension of Karadjic and Mladic. Serbia's equal failure to apprehend and render up these two fugitives has become a serious obstacle to its closer relations with the United States, NATO and the European Union.

The apprehension of these two fugitives should advance the cause of democracy in Bosnia and Serbia. Unfortunately, we have before us the rather dispiriting examples of Milosevic and Saddam Hussein. The overthrow of those two dictators certainly represented a massive advance for democracy in their respective countries. Their subsequent capture and incarceration, however, has not yet produced the further beneficial impacts that we all hoped for. Saddam's capture does not yet seem to have reduced resistance in Iraq. Milosovic's incarceration and trial does not yet seem to have diminished support for radical Serb nationalism.

I raise this issue not because I have a ready formula for achieving the right balance between justice of reconciliation in post conflict societies, but because, having given considerable thought to the subject, I do not.

A recent RAND study of America's nation building experience over the last sixty years concluded that the Nuremberg trials and the extensive denazification proceedings in post-WWII Germany contributed positively to that country's political transformation. The same study also concluded that the much milder process imposed on Japan by General MacArthur allowed that country's democratic transformation to go forward more rapidly and more smoothly, if perhaps less thoroughly, than Germany's.

Policy, like life, is all about choices—thorough or quick, justice or reconciliation, retribution or forgiveness. My own study of societies emerging from conflict leads me to conclude that arrangements for what has come to be called transitional justice, that is to say accountability for past abuses, are best made in the context of a comprehensive approach to stabilization and reconstruction.

Unfortunately, the design for the International Criminal Tribunal for Yugoslavia (ICTY), like that for the Rwanda Tribunal to which it is linked, was not established as one element in an otherwise effective international effort to deal with the genocide in Bosnia. Rather, in both cases tribunals were established, initially at least, as substitutes for effective action to stem the genocide. In both cases the international community had stood aside while genocide gathered pace, and then established international tribunals, in part at least, as a sop to its consciences for having failed to take more effective action.

On occasions where the international community has intervened, and put forces on the ground to halt human rights abuses, international tribunals have not normally been a part of the subsequent arrangements for stabilization and reconstruction. Once one's own forces are on the ground, and the killing has stopped, the case for reconciliation begins to counterbalance that for justice. In such circumstances, the United States and the United Nations have both tended to allow the local societies to establish their own balance between the two. It is, thus, Iraqis who will determine the fate of Saddam Hussein and his lieutenants. It is Prime Minister Alawi and his colleagues who will determine where retribution ends and amnesty begins. It is Afghans who have been left to determine how to deal with former Taliban leaders.

Support for international tribunals has been premised on the view that such courts serve the cause of both justice and reconciliation. The case for justice is clear. The case for such efforts producing reconciliation has yet to be conclusively demonstrated.

Where do these musings leave us with respect to the Balkans? The international community, having invested a decade of effort in support of the Hague tribunal, must carry through on that commitment. Bosnia and Serbia must comply with their international obligations. In providing incentives and disincentives leading them to do so, we should not lose sight of our overriding objective, which is to provide effective support for the continued democratic transformation of these societies. In the future, as the international community seeks to help other societies emerging from conflict, it should design arrangements for transitional justice as part of a comprehensive approach to stabilization and reconstruction, not as an alternative.

Senator VOINOVICH. Thanks very much.
Mr. O'Brien.

**STATEMENT OF JAMES C. O'BRIEN, PRINCIPAL, THE
ALBRIGHT GROUP, LLC**

Mr. O'BRIEN. Thank you, Mr. Chairman and Senator Biden. My written statement is submitted for the record and I will summarize it. I will put a special focus on Serbia and Kosovo, and I will talk about a few operational aspects where I do disagree with current policy rather than analyze the situation.

On a small note, before I begin, I would like to thank Laurie Dunden, who helped open the U.S. office in Kosovo several years ago and helped me prepare today, and Casey Owens, who also helped me prepare for today and seems to have found a seat in the room.

The problem in the region in Serbia and Kosovo, Mr. Chairman, is that we have half a policy, and that is left over from several years ago. Our goals should be to work with the democrats in the region so that they are able to achieve things that help them remain in power at home, and thus they are able to help us achieve the goals that we have for the region. Instead, over the last several years, we have defined our policy in both places exclusive in terms of our own issues and in ways that undercut the democratic leaders. This makes it less possible for them to carry out the policies that we see as to the advantage of the United States and our allies.

Now, I will put it starkly. I believe that U.S. policy must insist on cooperation with the tribunal, and I believe that U.S. policy must insist that anyone who wants to live in Kosovo be able to do so safely and normally. But that cannot be the end of our policy. It is only the start of the policy. So let me explain what I think needs to be added to the policy in fairly broad terms.

In Serbia, I think we should start from a simple premise. The people in Serbia who oppose arresting war criminals and cooperating with the tribunal and who oppose military reform and who stand with the organized criminals are the very people who also attempt to undercut the democratic leaders, who have, fortunately, just now formed a revived coalition. I think the answer at this point is to continue to insist on performance, as the administration properly is doing, but to step up our engagement with the democratic leaders so that they are able to carry out effective policies aimed at reforming their intelligence services, their military, and at arresting the war criminals, cooperating fully with the tribunal, while also helping Serbia move closer to Europe.

So what does that mean in practical terms?

First, the entire panoply of military assistance ought to be brought to bear in cooperation with our counterparts in Serbia.

Second, I think the United States should make it a priority to urge the European Union to move as quickly as possible forward on the membership process for Serbia and Montenegro, the stabilization and accession agreements, the engagement of structural adjustment assistance, et cetera. The purpose of this is to achieve the very goals that we all share, that Serbia and Montenegro become a full part of the European Union and that they are able to bring to justice the people who committed crimes in the 1990s.

Now, with regard to Kosovo, over the last several years, international policy has been coasting, doing virtually nothing. March was a wake-up call. And I want to thank the administration for its

serious senior level engagement since March. I think Marc Grossman in particular deserves credit for injecting American leadership again. Without that, we would have seen more violence.

Unfortunately, the policy remains more of the same, standards before status, and with more of the same, we will get more of the same. Violence is again on the agenda, and extremists will decide when we see more violence in Kosovo.

So what is it that we need to do in order to change the situation?

Well, Mr. Chairman, I think there is very good work that has been done on the issue of effective local governance. I do not think it is difficult to develop the options for Kosovo's end state. It seems, however, impossible to find a way to get to them.

We should also be realistic. Right now, there is no hope of a serious change in international policy toward Kosovo until 2005. The United States has our election. The European Commission is undergoing a major overhaul. There are elections in Kosovo, and Senator Biden, in response to your question, I think there will be elections in Serbia probably early next year.

So the issue before us today what is it we should do between now and next summer in order to make 2005 a time of decision. If we do not take steps now, 2005 will be a date for further delay and I fear for further violence. So what are a few things we might do?

One, I think we have to decide that it is time for UNMIK to end. By 2005, it should be drawn down and that mission should be over. There may be some residual international authority remaining, but UNMIK is finished. It is too large. It is unable to deliver to the people of Kosovo, Albanians and Serbs, the safety and prosperity that they deserve. It removes accountability from those who want to govern themselves, and it makes them dependent.

Now, in order for this to happen, the new SRSG needs to be given the authority to reform the mission and focus only on a few specific tasks over the next year. One of those I think is security, as you have quite properly emphasized, Senator Voinovich, over the last years. The second I believe is corruption. I think an independent international set of investigations can do a lot to restore the confidence of the people of Kosovo that as private businesses begin to work, they will be able to operate freely without being traded upon by political forces. That will be one set of changes that will really begin to alter the atmosphere in Kosovo over the next year.

A second step is that we do need to transfer the powers to the people of Kosovo. They need to be able to govern themselves. In other parts of the world, we seem able to move self-government forward very quickly, and yet in Kosovo we do not. Now, I would say that as we provide more authority, we need to hold local officials accountable, especially so that Serbs are able to live. I would say one particular thing we should do is insist on the creation of a new ministry for returns and human rights, and it should be headed by a Kosovo Serb and it should be given a decent budget, including the ability to assist communities that welcome Serbs back. Having one accountable ministry is one way that we can begin to show progress on the ground over the next years.

The third thing that should happen is a strong focus on the economy. The despair among Kosovars about their economy is deep-

rooted and growing. Over the 6 months before March, pessimism about economic prospects in Kosovo grew dramatically, and I think it played a direct role in people's frustration and anger. Privatization must go forward. We must address corruption and find ways to create jobs.

Fourth, KFOR needs to restore its credibility. American troops performed very well in March, and since then, there have been a number of technical changes that have improved communication with the local communities. But I think we need good political guidance to KFOR. It needs to look for ways to reassure Serbs and Albanians that when violence erupts, it will be able to handle it. Right now, I think people believe that the extremists will have the upper hand next time around.

In conclusion, Mr. Chairman, I would like to take a step back. And I agree with Ambassador Dobbins. Despite these specific problems, the situation in the region today vindicates the decision of the U.S. to intervene in 1995 and to lead in the years that immediately followed it. Peace continues and I do not think is likely to be disrupted, other than by extremist violence. Terrorism is much less a threat from the region than it was in 1995. Hundreds of thousands—more than a million people have been able to return home in Bosnia and Kosovo.

Our alliances grew stronger. Our European allies have developed new military capabilities through their involvement. We have shared burdens with them. America has contributed less than 20 percent of the civilian and military resources in the Balkans.

And finally, no American has been killed from hostile action in these peacekeeping operations. We have done that well. Democrats and Republicans have supported it. And it has been an effective mission.

It is always an honor to appear in this room. It is a place where Americans are reminded of our overseas responsibilities and we are able to talk about issues that may be uncomfortable or may be forgotten. The Balkans is an issue we cannot forget. For hundreds of years, empires have rubbed against each other in this territory. It has been the place that in the eyes of too many people Europe stopped. Now we have the opportunity for Europe to extend all the way from the Adriatic to the Black Sea to the Baltic to the Atlantic. This is an opportunity we cannot squander. For generations we may not have it again, and unless we revive our policy today, we may lose this opportunity.

Thank you very much for calling attention to this region, Mr. Chairman.

[The prepared statement of Mr. O'Brien follows:]

PREPARED STATEMENT OF JAMES C. O'BRIEN

Thank you, Mr. Chairman. The review of U.S. policy toward the Balkans is timely. This region is the main piece missing in the long-held goal of a Europe whole and free, democratic and peaceful.

I will focus on the states of the former Yugoslavia and in particular on the situation in Serbia, Montenegro, and Kosovo.

This panel will discuss challenges remaining in the region, and much of what we say may sound negative. It is right for the friends of this region to be blunt about the problems it faces. But we must not fall into the trap of dismissing the region's successes or ignoring its progress. The problems of post-conflict engagement in Iraq, Afghanistan, western Africa, the Congo, and Haiti lead some to say that America

should avoid engagement in regions emerging from conflict. Mr. Chairman, we do not have such a choice but to engage. And there is much we can learn from the Balkans as we engage around the world.

In this region, the picture as a whole vindicates the U.S. decision to intervene in the 1990s and our leadership in pressing for this region to be brought into a Europe whole and free. Slovenia, where the first war of Yugoslav dissolution was fought, is a NATO ally and EU member. Croatia will become a candidate for membership in the European Union, and Macedonia may also receive a decision on its candidacy next year. Before the end of this year, Bosnia may start a feasibility study for its EU candidacy, and the country is not a source of tension between Serbia and Croatia.

As a result of the decision to intervene in the Balkans, our NATO alliance was strengthened, our European allies are developing new security capacities, the U.S. military has performed brilliantly—and with no deaths from hostile action—and the United States has learned much about what it takes to help a country make the transition from conflict to peace.

SERBIA, MONTENEGRO, AND KOSOVO

Of course, every country in the Balkans faces considerable challenges, and the struggle to establish democratic societies is not over. The greatest challenges lie in Serbia, Montenegro, and Kosovo, and it is here I will focus my remarks.

Even here, the picture is nuanced. In Serbia, democratic forces worked together to elect a Serbian president who is committed to European integration and economic reform. The Prime Minister and President each are democrats, and they have stabilized a democratic coalition that has been in constant deterioration since it assumed power. In Kosovo, 135,000 Serbs are registered to live in Kosovo, and more than 60% are outside the Serbian enclave in northern Kosovo. And Montenegro repeatedly has affirmed again its commitment to joining European structures.

The challenges in the region do not grow from U.S. policy, but we must acknowledge that an effective U.S. policy could do much to improve the situation.

For the last several years we have had half a policy toward Serbia, Montenegro, and Kosovo. We have defined our relationships exclusively in terms of issues that are politically difficult if not suicidal for democratic leaders. It is of course critical to demand accountability for atrocities of the 1990s and protection of human rights. I helped develop the policies that insist on both goals and would not support any U.S. policy that did not. But we should insist on performance on those issues in a way that helps those leaders carry out policies that would win them credit at home.

Serbia

In Serbia, we should answer the calls of the democratic President and Prime Minister and make clear, publicly, that as soon as possible Serbia will be in NATO and will receive our support for its EU candidacy. We should engage actively and as necessary increase our assistance—financial, technical, and diplomatic—so that we can use our engagement as a tool to help democratic leaders reform the military and intelligence services, arrest war criminals (and destroy the networks that protect them), create jobs, and attack organized crime. If Serbia's democrats can produce benefits for their citizens and overcome revanchist forces that remain strong there, America and our allies will be safer; if they can achieve those goals with our help, America will have strengthened our partnership and position in Europe.

Montenegro

Montenegro may—or may not—have a sustainable majority in favor of independence; the majority remains solid but slim, and the opposition remains strong. Its leadership—looking at these facts—has decided to make its shotgun marriage to Serbia so arduous that the Serbs will ask them to leave, thus ending the debate. There is little chance of this happening in the foreseeable future. As a result, the joint institutions of Serbia and Montenegro do not work, and military and economic reforms are jeopardized.

The United States has let the European Union set the agenda on this issue. It is time for the United States to speak up. At a minimum, the United States should urge the EU to:

- let Montenegro decide its own fate next year, three years after the signature of the agreement that created Serbia & Montenegro.
- open discussions toward possible EU membership on separate tracks with Serbia and Montenegro.

The Montenegrins, who made a brave decision to oppose Slobodan Milosevic and stand by the United States during a pivotal time for the region, deserve the chance

to make up their own minds about the future of Montenegro, and the people of both Serbia and Montenegro deserve to shape their own destinies in Europe without an artificial union slowing them.

Kosovo

Kosovo is the most urgent issue facing the region. I am proud of the part that the United States played in reversing Milosevic's ethnic cleansing five years ago. Nearly one million people returned home, and with U.S. leadership NATO and the UN have played important roles in helping these people live without oppression.

But we have not done enough. The continued violence against Serbs is abhorrent. It is a stain on the reputation of the people of Kosovo, and it drains international interest in addressing Kosovo's final status.

Thankfully, most Kosovars do not support violence. But after the crimes of March it will be the extremists who decide when violence may erupt again. The Albanian political leadership was outflanked and surprised by the violence and cannot be counted upon to contain future explosions. Also, the extremists' calculations have changed. In March, UNMIK appeared hapless, and KFOR appeared to be a force hollowed out and left without political guidance. Extremists will be looking for an opportunity to test whether we have learned the lessons of March.

In the months since March tensions would have worsened without the personal involvement of senior U.S. officials, especially Marc Grossman, the Under Secretary of State. I applaud these efforts, and they have produced some gains. Privatization will resume, more authority is being given to Kosovo's democrats, there are reasonable discussions about creating local governments that will reassure Serbs, and the trade regime has been improved.

But the broad policy remains more of the same. As a result we will get more of the same. We continue to apply a policy designed as an interim approach five years ago, when Serbia was ruled by a dictatorship and Kosovo had been destroyed by a brutal war that ejected approximately one million of its inhabitants. It is time to shore up Kosovo's own democrats and to help Belgrade's democrats move their own politics beyond this issue.

In simple terms, Kosovo's final status is impossible but not difficult. We must find a way to let Kosovars govern themselves and decide their future while also making it possible for any person who wants to live in Kosovo.

A realistic agenda should start from the premise that Kosovo's final status will not be taken up formally until 2005. The Contact Group decision, against a backdrop of elections in the United States, in Kosovo, and probably in Serbia mean that not much will happen until then in any case. (In fact, positioning for final status negotiations has begun already as the sides put out options and suggest redlines.)

My fear is that 2005 will be a date for further delay, and that will lead to violence. Our policy now must be to take steps that ensure 2005 will be a date for decision. For that to happen over the next months we should take several steps.

First, UNMIK must get out of the way, although NATO must stay

Even before March 2004, public respect for UNMIK and the SRSG had fallen by more than 50%, according to UNDP. Kosovars will be reassured if they see change. Several things should happen:

- UNMIK should prepare to end in 2005, leaving behind a residual international presence—possibly EU, ad hoc as in Bosnia, or even a light UN presence—with limited veto rights on decisions taken by the Kosovar institutions. The new SRSG should have a mandate to reform and wind down operations.
- As part of its reforms, UNMIK should focus on two issues that make the greatest difference to ordinary Kosovars: security, especially for Serbs, and corruption. The latter will be particularly important as privatizations become more frequent.

Second, give Kosovars full self-government

Kosovo's own provisional institutions should receive more responsibilities. This can be done by revising UNMIK's mandate or, more likely, by sharing responsibilities within that mandate. Kosovo deserves self-government, not a quasi-colonial administration.

As a matter of special importance, Kosovo's governing institutions right now should be held accountable for making it possible for Serbs to live in Kosovo. The PISG should add a ministry for returns and human rights, put a Serb in charge of this ministry, and provide an adequate budget, including for assistance to communities that support returns of Serbs.

Third, the economy should be the main priority of the PISG

Seventy-five percent of Kosovars are pessimistic about their economic prospects, and the percentage of Albanians expressing pessimism jumped 20% in the months leading up to March 2004. Investment by small and medium enterprises fell sharply from 2002 to 2003. Registered unemployment rose 30% in 2003, creating a steady annual increase of 10-12%. The violence of March 2004 will make it worse. Asked whether the environment in Kosovo is positive for business, 4.4% of Albanians said yes; 7.7% of Serbs were positive, as were 6.2% of other groups.

Improvement involves three steps, which UNMIK and the PISG should undertake together:

- Unlock domestic savings. These have grown at a tremendous rate. Unfortunately they are not circulated into the economy to support small businesses and home purchases at the rate they should. Support for lower interest rates and longer maturity periods would help.
- Accelerate privatization, especially in the area of manufacturing for export. This will require decisions on state-owned enterprises and municipal properties. Perhaps communities that support efforts to keep Serbs living in Kosovo could be given special authorities in this regard, as a way of keeping the returns—and the communities as a whole—economically viable.
- Fight corruption. To attract investment, Kosovo must be transparent about both the process for tenders and the conditions of the investments.

Fourth, KFOR must remain at strength, and remain for several years

KFOR is one institution that many Kosovars look to with respect. Still, some units (not the U.S. sector) have received heavy criticism for their performance in March. KFOR should look for ways to rebuild its credibility. It must have clear rules to engage when violence breaks out, it should communicate this to local leaders (and plan with them), and it must be resolute in engaging with communities to prevent and respond to problems as they arise.

It will be difficult to keep troops with the proper kinds of training and equipment in Kosovo. Capable EU allies are shifting forces to Bosnia, where the EU will take on the mission. The recent initiative to expand a carabinieri force, able to investigate organized crime and work as a unit to control demonstrations, is very welcome.

Fifth, prepare for status discussions

There are steps that only the international community can take.

- Engage Kosovo's Serbs.

Kosovo is their land, too, and they are the community most endangered by uncertainty and violence. Naturally, they look to Belgrade for support and guidance. But Belgrade has its own domestic pressures to consider and will not always be in position to speak for Kosovo's Serbs. It is inexcusable to negotiate the future of this land without hearing the voices of all those who are trying to keep Kosovo multiethnic.

- Prepare a simplified process for resolving Kosovo's status.

Most proposals suggest bilateral talks between Belgrade and Pristina, or a UN Security Council vote, or regional roundtables, or other multiple step approaches. The anticipation of such a process puts strains on politics in Belgrade and in the Council. There should of course be discussions in these venues, but they should remain informal ways to ensure that Serbian interests are met as best possible. Lengthy discussions about the shape of the table will prolong the process unnecessarily and keep tensions high. We should look for an expeditious, straightforward process.

Sixth, the electoral system should change to open lists

The current system, in which voters select party slates, builds up the party leaderships. Under an open list system, voters could select individual candidates. This would bolster the government, because individual politicians could challenge party discipline without losing their ability to win election.

Mr. Chairman, thank you for this hearing. We have a chance to help the people of the Balkans complete an historic transformation, so that Europe can be whole and free. In many countries they are doing well. In Serbia, Montenegro, and Kosovo, they need effective U.S. leadership, with our allies. If we continue to coast we may lose our longheld goal of seeing Europe be whole and free. And we will fail all those in the region who want to live in peaceful democracies.

Senator VOINOVICH. Thank you, Mr. O'Brien.
Mr. Vejvoda.

STATEMENT OF IVAN VEJVODA, EXECUTIVE DIRECTOR, BALKAN TRUST FOR DEMOCRACY, GERMAN MARSHALL FUND OF THE UNITED STATES, SERBIA AND MONTENEGRO

Mr. VEJVODA. Thank you very much, Mr. Chairman. It is a true privilege and honor to be invited here to speak in front of the Committee on Foreign Relations of the Senate.

Let me start out by an unsung positive story of the developments in the Balkans, especially after the defeat of Milosevic in the elections. I think that rightly the Balkans have not been in the news because they have not been as dramatic as they were in the last decade of the last century. But on the other hand, the bad effect is that public opinion internationally has not heard about the small victories of democracy in our countries, and I am talking about the region overall. It has been said in the earlier panel about the overall movement. Slovenia is now a full member of the EU and NATO. Romania and Bulgaria have joined NATO. They are finishing rounding off their negotiations for EU membership. Croatia has become a full candidate. Macedonia has tendered its candidacy. Stabilization and association negotiations are being conducted in Albania and Bosnia. Serbia remains at the moment the laggard. But I would say with the victory of President Tadic recently, we have another confirmation, if anyone was in doubt, that Serbia made the irreversible turn back in 2000.

It is difficult, of course, from the outside to gauge the fine-tuning effects in an early pluralist democracy where parties have to create their identities and are engaged in a legitimate competition in the political market, while at the same time they have to work in unison for the deep-seated reforms that are required. And that is where we have friction. That is where we have a difficulty of understanding why is it that democrats, reformists, modernizers in these countries find it hard to find that unified voice. It is simply because that is the nature of a pluralist democracy. I think that one should dwell on that in looking at these countries.

The level of regional cooperation is, I would say, immense when one looks by comparison to 4 years ago. There is a grassroots regional cooperation process called the Southeast European Cooperation Process. There are networks of youth, of business exchanges and travel, since visa regimes were relinquished, for example, between Serbia and Croatia last summer. The investments from Croatia into Serbia, for example, or from Slovenia into the southern part of the region, the free trade agreement bilaterals that have been signed throughout these countries, all these and many more examples testify to a burgeoning regional life, not only because Brussels or Washington say it is good for you to cooperate, because in that way you are espousing democratic values. No. It stems from the awareness in the region that only as a region of 55 million people do we mean something in the global market.

Individually as countries we are small, economically weak, and I would like to second what Jim O'Brien said before me about the economy. What he said about Kosovo I think applies to the whole region. The lack of jobs or the high level of unemployment is a dan-

ger to democratic reforms, is a danger to the beginnings of democracy in this region. If people do not have meaningful jobs, if they do not have livelihoods that can provide for decent food on the table, then all the effort that we are putting into nation building, into civil society will not, unfortunately, give results. Thus, I would urge that we also think of the economy when we think about unfinished business in the Balkans.

Also to second what has been said, I do not think there is any major transatlantic rift. On the contrary, there is a unison of vision between the U.S. and Europe, and I think that is extremely good and we should use it for future robust engagement in support of the democrats and modernizers. I really think that we should dwell upon the fact that democrats have been reelected in governments looking toward the future, toward European integration and Euro-Atlantic integration. If these people do not get support, if they do not succeed, then we will have the populist nationalist backlash. People will seek what a colleague in Bulgaria has called the casino voter system; i.e., they will choose anybody just to try out if that somebody new can deliver better economic results in their pockets and for their households. So democratic reformers are a fragile species. They are majoritarian, but if they cannot deliver, then they will not succeed. And I think this goes, as I said, for all these countries.

I think that an important note that has not been mentioned here, when speaking about Bosnia and Herzegovina, has been the acknowledgement by the President of Republika Srpska of the crime committed in Srebrenica. I would note that as a positive development in acknowledging the past evils that we have witnessed.

The victory of Tadic is extremely important in all sorts of ways, politically, symbolically. In his previous job, as has been mentioned, as Minister of Defense, I think he has worked diligently to embark on this difficult road of the reforms of the security and military services. We have seen these difficulties in countries like Poland or Slovakia in the past. It needs determination. It needs commitment, but it needs support from the outside. Thus, membership in Partnership for Peace as soon as The Hague cooperation is delivered. And I believe, Mr. Chairman, that we will see in Serbia delivery on Hague cooperation in the near future.

Again, I can second what has been said, that there is full awareness. People do get it now, and the democratic consensus has been achieved. This must happen because it is the obstacle of all obstacles for the future development of Serbia.

A note on Serbia and Montenegro and the state union. The bad news has been that unfortunately since the tragic assassination of Prime Minister Djindjic, we have not had movement toward European integration of Serbia and Montenegro, and by that I mean the past 16 months. This is not good because other countries are moving. The good news is there is positive peer group pressure by Croatia, Macedonia, Slovenia, and the neighboring countries. I talk about it as a pincer movement of democracy and security around the core of the Balkans, Serbia, Montenegro, Bosnia and Herzegovina. Thus, I would advocate a creative and imaginative approach to keep the union, and see if we can consider a parallel movement of Serbia and Montenegro toward European integration.

I think there are some thoughts about that in Brussels. Deputy Prime Minister Miroljub Labus has advocated that very forcefully. I think we need to move out of the starting blocks on our European integration process.

When delivery to The Hague happens, I think we should immediately seek membership in Partnership for Peace. We need to see those results so the reformers and leaders of these countries can develop further.

We are on the brink of success in the Balkans. We should not squander the moment and let loose the springtime of democracy that is occurring.

Thank you very much.

[The prepared statement of Mr. Vejvoda follows:]

PREPARED STATEMENT OF IVAN VEJVODA

Mr. Chairman, Senators, it is a great honor to be invited to speak today before this venerable Committee of the United States Senate. It is most fitting that on this anniversary of one of the great democratic revolutions we are convened to address the issue of democratic consolidation in the Balkans, which comes at the end of a long, more than bicentenary ark of struggles for democracy and political modernity.

INTRODUCTION: THE POSITIVE DYNAMIC

We are in the Balkans witnessing a steady movement of stabilization and consolidation. The region is moving away from the conflict and post-conflict zone and moving into one of renewal, development and democratic institution-building. The political dynamic in the region interestingly follows in a metaphorical sense the weather patterns. These move in southeastern Europe from the northwest to the southeast. The political skies have been progressively clearing in the same manner.

It is no minor achievement to be able to say that today we have democratically elected governments in all the countries of Southeast Europe. Since the defeat of Milosevic's regime in Serbia, through the ballot box, in a peaceful non-violent manner by deliberate choice, the region of the Balkans overall has steadily regained its political democratic bearings. This, in no manner of speaking, means to say that we can sit back and be complacent. On the contrary there is still significant unfinished business as the title of our hearing so aptly and prudently remarks.

But, the point of these introductory thoughts is to say that there is a positive story in the Balkans that is not getting out. The reasons are many: attention internationally has shifted elsewhere, there are more burning issues in other parts of the world, the Balkans seem by comparison in less need of attention, but also because when focus on the Balkans occurs it is most often solely because of the outstanding and still unresolved issues.

For a full understanding of the region we need to espouse a complex view which can then lead to prudent, rational and effective policy measures which can help southeast Europe speedily and efficiently reach the ultimate goals of burgeoning democratic institutions, effective division of powers, the rule of law, respect for the rights of minorities—all topped with membership in EuroAtlantic institutions. This region of the world compared to others is close to a success story, but at the same time still in danger of missing its rendezvous with success unless all the concerned stakeholders, primarily domestic and then international do not devote the necessary attention and resources to bringing the Balkan ship to its EuroAtlantic haven with necessary determination and commitment.

This is all the more important because the region is a post-intervention area (however one views the issue of intervention, whether one agrees or disagrees with it), just as is the case with other areas/countries in the world today further to the East and South. There are important and useful lessons, both positive and negative, to be learnt from the Balkans that can be used and applied to the new post-intervention situations, all things being equal. Also the transatlantic community has a unity of view and purpose in Southeast Europe and that is the goal of EuroAtlantic integration. This view and purpose should be further nurtured and boldly reinforced.

Something went terribly wrong in this southeastern part of Europe in the last decade of the 20th century. We as many other post-Second World War generations had been brought up in the spirit of: "this must never happen again" (i.e. violence, war, crimes against humanity). And yet it happened to the communist country that

seemed closest to making a break with the past and making it into the EuroAtlantic family. Why did this happen? The absence of democracy to put it most simply. Today in the Balkans the countries, societies, peoples and their democratic leaders realize that democracy and the rule of law is the way forward. There is nothing easy or quick about this process of democratic transition, on the contrary, but the course has been set and it is being maintained against all adversities.

The victory of Boris Tadic, the democratic, pro-EuroAtlantic candidate, in the Serbian Presidential election and his inauguration this last Sunday on July 11, is but the latest in a line of clear examples of this claim. President Tadic exemplifies the new forward-looking democratic leader of the region—a prudent consensus-builder, repairing the broken bridges with neighbors, acknowledging the difficulties of the inherited legacy and of the challenges ahead, sensitive to the suffering of those bearing the social costs, yet determined and committed to pursue the hard work of societal and political change so as to create stability and peace.

THE ENCOMPASSING PROCESS OF DEMOCRACY AND EURO-ATLANTIC INTEGRATION

We should pause an instant and simply remember where we were for example only four years ago when many of the cognoscenti of the Balkans were saying, for example, that we in the democratic opposition in Serbia, writ large, would never be able to achieve an electoral victory over the regime of Milosevic and then defend that same victory. The power of the people, the desire for liberty and justice, the capacity to organize and sheer resilience—is often underestimated, but neither should it be taken for granted.

Also, just as importantly the region, having in its majority jointly found its political democratic north on the compass, has both due to a grassroots awareness and to political leadership and vision begun to work together as a region of Europe. There are today as a result of intense cooperation in Southeast Europe a myriad of Balkan wide networks, webs of bilateral agreements in a number of fields, cross-border links, projects and activities. Exchanges, the free flow of people, ideas and goods since the conflicts ended have exponentially grown although not equally in all these areas, all these processes need to grow further. To many this is an invisible network. But it has taken on a life of its own and is a crucial component of the general movement toward the recognition, fostering and then buttressing of common interests and approaches to joint challenges. Not least the struggle against organized crime, trafficking, then addressing environmental issues, finally last but not least jointly seeking solutions to economic challenges.

The European Union in particular and then NATO have represented a strong magnetic pull on the whole region. The progressive movement of all countries at their varying speeds toward these political and security frameworks has been testimony to their realization that only as democratic polities in which mutual responsibility and solidarity with others is a nurtured moral and political value can the region succeed. The advance has been notable:

Slovenia (as a former republic of Yugoslavia) is today a full member of both the European Union and NATO. Romania and Bulgaria have also in the latest enlargement of NATO become full members. Both these countries are finalizing negotiations for EU membership. Croatia last month was officially proclaimed an official candidate for EU membership and will shortly begin negotiations for accession to full membership. Macedonia (the Former Yugoslav Republic of Macedonia) in March this year put forward its candidacy for membership in the EU. Albania is negotiating a Stabilization and Association Agreement with the EU.

Albania, Croatia and Macedonia are all members of NATO's Partnership for Peace program and are together members of the Adriatic Charter—a regional security agreement. These countries are in the process of preparing their next steps toward NATO membership partaking in many a common venture.

This generalized dynamic, as described, goes around two countries Bosnia and Herzegovina, and Serbia and Montenegro that are on the doorstep of both Partnership for peace and the beginning of the EU's Stabilization and Association Process. These two countries are enveloped by a sort of democratic, EuroAtlantic integration pincer movement. This is important to note because the countries of the Balkans act as communicating vessels. There is a positive effect of peer group pressure at this historical juncture. The fact that all the countries around Bosnia and Herzegovina and Serbia and Montenegro are projecting themselves forward is creating a pulling effect which is most tangible.

One should not underestimate in this regard the positive example for the region of the Greek-Turkish process of reconciliation and fostering of intensified exchange and cooperation. The championing by Greece of Turkey's dynamic to accede to the negotiating process for EU membership is being emulated in mutual relations by

the other countries of the Balkans. It is by being each others champions that the countries are already demonstrating in the most palpable way their awareness that regional cooperation and partnership is a significant element of upholding democratic and European values.

There are democratic reformers working with their majoritarian constituencies to change their societies for the better. These reformers and their societies need support to carry on the task of democratic institution building. The adversities are still notable and the pitfalls numerous on this lengthy road are not to be in any way minimized or underestimated.

SERBIA

If anyone was in doubt about Serbia's irreversible turn to democracy in 2000 then the result of the presidential election just two weeks ago with a clear cut victory of the democratic candidate Boris Tadic should have laid the last suspicions to rest. This was a most significant victory, a crucial political moment in a key Balkan country.

The new president as mentioned above is part of a broader new generation of hardy forward-looking democratic leaders who are grappling with the reality of a difficult economic situation while pushing forcefully for compliance with all outstanding international obligations of the country. Cooperation with the International Criminal Tribunal for former Yugoslavia (ICTY) is the foremost one, and in his inaugural speech he clearly marked it out as a priority. There are no reservations on his part, and as Minister of Defense of Serbia and Montenegro he forcefully engaged the process of reform of the military and its security services. With other key leaders at the time of the March, Kosovo violent events he took a most responsible position in seeking to work hand in hand with the UN, EU, NATO, OSCE in finding a solution to calm the tension and end the violence and suffering.

I believe we shall see in Serbia intensified cooperation with the Tribunal in the Hague in the very near future. I say this because it has become patently clear over the past several months that this is the obstacle that is impeding the way forward in any direction for Serbia. The democratic political elite across political party differences has come to this conclusion. Results are imminent. I also firmly believe that society in general will accept gladly this enhanced cooperation and not be held hostage to a certain number of indicted individuals.

This means that Partnership for peace membership, and the "open doors" that were mentioned at the recent Istanbul NATO Summit, should be implemented as quickly as possible upon recognition that cooperation with the Hague Tribunal is occurring.

Recognition in the form of movement forward in integration processes, or for example relinquishing of visa regimes—are crucial as incentives on the long road toward democratic and market-based societies. The social costs being paid along that road are enormous (deindustrialization has taken a great toll on the labor force) and thus democratic reformers are exposed to high popular expectations. If they cannot deliver, society can easily become prey to populist demagogues of an extreme right-wing orientation. The result obtained by the nationalist, populist candidate in the recent presidential elections and his party's result in the December 2003 Serbian parliamentary elections are a clear warning and should alert all to the dangers of failure of democratic reforms.

Serbia is also confronted with its as yet undefined relations within the State Union of Serbia and Montenegro. This is particularly important for the process of European integration—a key priority for the country. The outstanding issue is the absence of a single market between the loosely linked states of Serbia and Montenegro (both deriving their full modern statehood from the Berlin Congress in 1878). The European Union in upholding its criteria for entry has demanded a full harmonization of all products following an Action Plan defined in 2003 after the voting in of the Constitutional Charter of the State Union (February 2003). A small number (56) of agricultural products have become a lasting stumbling block as well as the custom's regime and the certification of origin of products. This has among other issues completely halted Serbia and Montenegro's movement on the road to the EU.

Much frustration exists because of this and also because domestic stakeholders believe (both in Serbia and Montenegro separately) that they could in fact have already moved toward integration had it not been for these "impediments."

By way of reminder: the Federal Republic of Yugoslavia was recast into the State Union of Serbia and Montenegro for rational, prudent and regional security reasons. One was to uphold regional stability at the end of 2001. The European Union then stepped in to broker a new relationship recognizing each of the two states' levels of acquired internal competencies, on the basis of an agreement with the actors.

The assassination of Prime Minister Zoran Djindjic on March 12 last year was a dramatic loss of one of the most determined democratic leaders and reformers in the Balkans. His tragic death which many thought would throw Serbia back into darkness only proved in the most terrible way (as he himself said in a number of interviews weeks before the assassination) that Serbia had become a democratic state. This democratic state was able to throw back the gauntlet with which it had been challenged and prove that the Serbian democratic institutions however fledgling were functioning and were able to keep Serbia on track. Zoran Djindjic had laid himself into the democratic foundations of our country.

Zoran Djindjic always invoked the need to observe the broader social and political dynamic so as to understand the underlying issues. His death clearly took a huge toll, pointed to the unreconstructed security services and drained much energy and time from the democratic forces in an hour of danger.

In this overall context one needs to understand that Serbia is only in its fourth year of transition. One has to hark back to 1993 to compare Serbia to where for example Poland, Hungary, Czecho-Slovakia (still one country then), were in their fourth year. Yes, Serbia is a laggard and should be moving faster. I am convinced, as I was with the victory over Milosevic's regime, and of the victory of Boris Tadic, that Serbia will now make an important step forward.

It is interesting to see how in Serbia some significant political figures are invoking the positive move forward of Croatia as a positive example for Serbia. This is an example of the communicating vessels, peer group claim and the effectiveness of mutual positive incentives.

Politically in Serbia, after the Presidential election, we shall see a cohabitation with the incumbent government of Prime Minister Vojislav Kostunica. The President has rightly voiced the need for political stability, for the greater public good, i.e. the need to forcefully move forward reforms that have long been stalled (due to election cycles most recently). Serbia needs to now make a breakthrough that will bring it into Partnership for Peace and onward toward the Stabilization and Association Agreement with the European Union.

The EU integration agenda of the State Union of Serbia and Montenegro may need to be modified so as to effectively advance it. This may be done in the following way for reasons of greater expediency and both domestic and European public good, security and stability. The fact that Serbia and Montenegro have not made any major moves on the EU integration road, as others in the region have advanced, is detrimental to both Serbia and Montenegro, the region of Southeast Europe and to the EU and international stability.

The way around this, namely the problem of the impossibility to achieve a single market, could be to do the following. While maintaining the State Union of Serbia and Montenegro, separate out the EU integration process for each, turning them into parallel integration processes so that both Serbia and Montenegro advance on their own merit unhindered by each others lacunae. This has been forcefully advocated for example by the Deputy Prime Minister of Serbia Miroslav Labus. There are some signs that the EU is itself seeking an approach that would bear more effective and speedier results in reaching the so-called "Copenhagen criteria" encompassing the principles of liberty, democracy, respect for human rights and liberties, the rule of law.

In fact, the Thessaloniki Summit of the EU, under the Greek Presidency of the EU, in June 2003 clearly stipulated that the countries of the Western Balkans would become members as soon as they completed the required reforms and alignments with EU laws and practices (the *acquis communautaire*) and demonstrated their capacity to be providers of security and stability. The time is to help those countries that have not advanced on the integration road since the Thessaloniki Summit.

THE BALKANS ON THE AGENDA AGAIN

There seems to have been a refocusing on the Balkans in this first half of 2004. I believe there are two reasons for this.

- First, the accomplishment of the historical 1st May enlargement of the European Union and the parallel big bang NATO enlargement has turned the attention of the "administrators of enlargement" (especially in the EU) to the next chapter which in all clarity is the enlargement of the EU in the Western Balkans. Whenever in time that maybe these experts and their offices have opened their next files entitled Western Balkans. Clearly Turkey is the other key country that is being considered for beginning of negotiations and I deem that a vast majority of Southeast Europe countries are not only sympathetic to Turkey's fu-

ture European integration for reasons of stability and security, but are also willing to champion it following Greece's example.

- The second reason for a refocusing of attention on the Balkans were the events of March 17/18 in Kosovo. What was evident to many involved with the region, was that complacency with the security situation of non-Albanians (principally Serbs) and stagnation on the standards before status was going nowhere. The ethnic violence with the resulting expulsion of about 4000 people from their homes and destruction of those same homes and religious edifices—was a severe wakeup call to all those internationally responsible. Recent reports by the OSCE or by Amnesty International among many, point to the numerous inactions, lack of action in preventing the appearance of violence and then the actual inability to prevent it even with significant international military and police presence. The renewed activity of the Contact Group (Italy, France, Germany, Russia, United States, EU) is but a sign of that renewal of attention.

KOSOVO

This is the most difficult unresolved issue in the Balkans. It comes at the tail end (as many surmised it would at the beginning of the breakdown of former Yugoslavia in 1991) of a series of wars and interventions.

When domestic actors are incapable of solving a contentious issue and require a third party to mediate then all parties become stakeholders. The crucial stakeholders are the domestic ones and unless they arrive at solution based on compromise through negotiations then no solution will be found, or only half measures will be achieved. The lack of a solution in Cyprus because one of the key communities was not on board the agreement is an example of this, again all things being equal.

In Kosovo as in other similar/dissimilar seemingly "intractable" conflict or post-conflict situations (Northern Ireland, Kashmir, Sri Lanka, Basque country, Israel-Palestine, etc.) the solution is in bringing the voices of moderation, pragmatism and realism forward while blunting the arguments and basis of grievance of the extremists wherever they may be. The engaging of the dialogue is essential—in this case between Albanians and Serbs. This long and arduous dialogue had begun, but was interrupted. It should be resumed, reengaged and broadened.

The late Prime Minister Zoran Djindjic launched a "Kosovo initiative" internationally in January 2003, exactly for reasons of countering general complacency and engaging a dialogue aware that time was not working for the region for those involved in moving toward European integration. He thus deemed it necessary to take responsibility for moving the agenda forward and putting the issues within a firm institutional process, which would seek in an orderly, negotiated, stabilizing fashion, (in his words) a "democratic, rational, de-emotionalized, European solution." A process which would not and should not interfere in the domestic political dynamics of each concerned part of the region of the Balkans.

The opening moves that were required, Djindjic told many an interlocutor, was to greatly enhance the level of security for the non-Albanian (Serb) population of Kosovo, to end the impunity of those engaged in acts of violence and to uphold the principle of return (in the name of which the intervention of NATO was launched). Violence, i.e. was not to be rewarded in any way. The other initial stipulation was for Serbs in Kosovo to achieve some form of local self-government (decentralization) in areas where they were a majority. Finally, and remaining at the issue of necessary initial steps in search for a stable, lasting, and sustainable solution was for all international actors already involved to contribute actively to finding the common ground of a lasting framework.

The spirit of this initiative is alive today. It is precarious and needs to be supported forcefully. There are moderate voices and those who realize that the need to work together prudently for the peaceful future of all citizens of the region is the only way forward. There are on the other hand those who still dream of maximalist solutions on both sides. There is an urgency to engage the dialogue and begin finding the common denominators.

For many the dialogue and exchange of views has been ongoing through even the periods of greatest adversity, it is now time for those forward-looking responsible, democratic reformers to engage in the renewed dialogue backed by elected officials, civil society and international institutions.

What was then and is now clear is that the overarching framework not only for Kosovo but for the Western Balkans and Balkans overall is the European Union as well as, initially, the collective security framework of Partnership for Peace and NATO (taking into account that Romania and Bulgaria are already full members). The EU has taken over the military mission in Macedonia, it prepares to take over

in Bosnia and Herzegovina the mission from SFOR. There is no doubt that along with the UN, NATO, OSCE the EU has the crucial role to play in the future of the Balkans.

The stabilization of the Balkans is in fact a test for the EU's security strategy.

WHICH WAY TOWARD SUSTAINABLE ECONOMIES?

The democratic process is by definition grounded in the polity of each country. It is the individual citizens and their elected and accountable leaders (who represent the options of parliamentary political parties) to it whom it behooves to carry both the formal and substantive content of reform and democracy forward. These societies confronted with the legacy of communism and often also of traditionalism, but also opening unto the global market place have needed the support of external actors to be able to pursue their joint goals of democracy and market economy.

Support has gone to three key areas: state, economy and civil society. Support to state capacity building has been fundamental. This has meant supporting and fostering an efficient public administration and civil service, an independent and equally efficient judiciary, law enforcement agencies accountable to parliamentary control, security services and the military working not any more as a state within a state but as fully accountable and controllable actors contributing to and providing stability. Civil society support has been important to give citizens the skills and capacities to address many challenges by themselves, not waiting for the state (as in times of old) to cater to their every need. Community development has been a key part of this process. Finally, support to the economy, initially to essential and existential infrastructure areas such as food (at the very early stages), to the power energy and supply system, to road and rail networks and then to small and medium sized enterprises, also support to help create the appropriate conditions for an economy integrated into the world market.

This external aid has been essential in the early phases of the democratic and market economic process. All these countries were and are aware though that that sooner they can reach sustainable levels of economic production and activity and thus no longer need the benefit of aid, will be the better of because this is proof of consolidation. Foreign direct investments are a key part of creating that sustainability and some of the more advanced countries in the region have benefited from creating the enabling legal and other conditions for foreign investments.

The period in between the initial stages of economic and legal reform, and that of a sustainable market economy is of interest to us here today. Many of the countries we are looking at with still existing unresolved issues often suffer high levels of unemployment and low levels of economic activity. Thus a significant effort in making the Balkans a success is to focus among all other things on this area of badly needed support to economic reform and job-creation.

Without the civic and political energies of the countries of Southeast Europe themselves democracy would not have taken hold. Conversely without the support from outside this process would have been significantly slower and less efficient.

The European Union and its member states, the United States, Canada, Japan, Norway, Switzerland, and very many others have played an important role in this donor effort throughout the region. International financial institutions such as the International Monetary Fund and the World Bank have clearly contributed as well as the European Bank for Reconstruction and Development and the European Investment Bank. All these efforts should be sustained at levels which should allow these market economies some of which are showing very positive signs while others are still struggling to make ends meet, to move forward and become the ground on which a sound democratic polity can deliver to its citizens a dignified, decent livelihood. The EU again has a major role in determinedly paving the way and preparing with the future candidate countries of the Western Balkans their interface with the more stringent, more engaging, and constraining structural institutional framework of EU integration.

One example of this keen awareness that there is unfinished business in the Balkans and that a variety of both governmental and non-governmental actors still need support to further democratic reform, enhance civic participation and contribute to creating an environment of consensus around the public interest is the *Balkan Trust for Democracy*, which is project of the *German Marshall Fund of the United States*—a public-private partnership launched with *USAID*, the *C.S. Mott foundation* (Flint, Michigan). This is a ten year project launched last year, endeavoring in all of the Western Balkans as well as in Romania and Bulgaria. It has been additionally supported recently by a significant donation by the Dutch Government and a pledge from the Government of Greece. This, now, transatlantic effort at democratic institution and capacity building both for governance and civil society

projects in the Balkans has met with great enthusiasm and expectations. As certain donors prepare to scale down and leave, others such as the Balkan Trust are contributing to the long-term effort of democratic consolidation and empowering the citizens of the region.

CONDITIONALITY AND TELEOLOGY: CIVILITY AND DEMOCRACY

At the current stage when democratic reformers are fully engaged in confronting the broad and simultaneous transitional agenda of transforming and reforming every aspect of society, politics, economy, judiciary, security and military, education—adapting them to the needs of citizens who have voted for democracy and Europe—or may I add on this “quatorze Julliet,” storming of the Bastille day—for human rights and for “liberty, equality and fraternity” (we would probably say “solidarity” instead of fraternity today) it is imperative that solidarity be promoted and the mutual responsibility for the future of Europe and for the post-Second World War project of peace in Europe find its current completion by bringing the Western Balkans into the fold of Europe whole and free.

Excessive conditionality has been a blunt tool. Sometimes a policy of the lowest common denominator between key external actors has, to make an understatement, not helped the fostering of the greater public and international interest—stability and sustainable peace in the region.

Bold leadership is needed both domestically and internationally to fully succeed in Southeast Europe Rethinking policies toward a more pro-active stance with regard to support the efforts of the countries of Southeast Europe would be most welcome.

To include is I believe much more efficient than to exclude. To become member of a union, a partnership, an alliance, to be endowed with responsibilities as a member is much more conducive to a change of values and behavior. To be left out while others are advancing or entering partnerships carries with it the extreme danger that a backlash of retrograde political forces could “punish” the lack of accomplishment of reformers—it undermines the efforts of coalitions for change in these societies. There is a deep mutual responsibility in the world today, and in this case in the Balkans for a possible success, or conversely for failure by negligence.

As they follow in the footsteps of the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, Slovenia (now members of both EU and NATO), the processes the countries of the Balkans are undergoing are arduous, long and costly. The more aware we are in learning the lessons of these earlier transitions and integration processes the faster we shall bridge the gap to the completion of Europe.

In the Balkans today, with all the outstanding unresolved issues or lingering uncertainties—and I have here on purpose chosen to dwell on some aspects of the positive story that seldom get told—we are within reach of civility and democracy. But if economies do not begin to deliver however minimal amounts of material decency and dignity to citizens, then we could for example find ourselves with maybe even ideal politics which would ultimately fail because they could turn out to be economically unsustainable. Alexis de Tocqueville made this point among others very forcefully—there is no successful democracy without a successful economy.

The glass in the Balkans is half-full let us, Mr. Chairman, Senators, continue filling it.

Senator VOINOVICH. Thank you very much.
Mr. Surroi.

STATEMENT OF VETON SURROI, PUBLISHER, KOHA DITORE, PRISTINA, KOSOVO

Mr. SURROI. Thank you very much, Mr. Chairman. I thank you and Senator Biden for your continuous interest in the Balkans from the time when you were actually a small minority here. I am very glad to be here with this panel of friends.

I think there are several blunt formulations which I should use in the Kosovar case.

The first one is stagnation. We are in a stagnating society in which the U.N. mission in Kosovo has not fulfilled its role and its role was to develop self-rule in Kosovo. Currently we are operating under four different legal systems: the U.N. regulations, the

UNMIK regulations, the pre-1989 laws, the laws that are passed by the Kosovar parliament, and the laws of Serbia that are run in the so-called Serb parallel institutions. Now, when you have four different legal systems, you basically do not have the opportunity to have rule of law.

The second, following it and a parallel image of it, is that we have three or four different economic systems, including socialist self-management, which died in ex-Yugoslavia 10 years ago. UNMIK makes all key day-to-day decisions, including the way the money for the budget is assembled and how the budget is spent.

What we have had is a system of a mutual blame game between UNMIK and the Kosovar leadership for the past years, which UNMIK criticizes, quite rightly, the Kosovar leadership for lack of leadership, and then the Kosovar leadership blames UNMIK for lack of capacity to deliver, and quite rightly so.

We do not have a system of checks and balances, and in that situation, we are actually confronted with explosive indicators. Aid money has been spent, \$2 billion of it. The rate of unemployment is, in real terms, beyond 70 percent. The Kosovar economy covers with only 3 to 4 percent of exports the quantity of products it imports, most notably food and electrical energy, which it exported 15 years ago.

Now, when you have this kind of stagnation for years, where we are in degradation, and I think the March events manifested in very tragic, brutal, and bloody terms where degradation is leading and the capacity of extremists to hijack protests and to direct them in inter-ethnic violence, especially against the Serbs.

They also showed the breakup of a system. There is no system that can control this explosive situation, not only in terms of security where UNMIK failed, not only in terms of political leadership, where most of the Kosovar political leaders failed, but as we saw in the credibility of KFOR. Fortunately what we saw is where there were American flags on the arms of the soldiers, the violence diminished rapidly. It shows that high credibility not only of the U.S. military, but basically the great credibility of America overall.

The sense of degradation is on the brink of endangering all the achievements of the international community in Kosovo and those achievements are not small. We are actually an electoral democracy and we have gone through very good elections, free and fair, that are a model for the region.

Why does this happen? I think I will agree with Jim O'Brien and Jim Dobbins, that we have had a policy vacuum over these years. First of all, the Albanian leaders have continuously stressed one policy which is formal recognition of independence, even though in the present format, Kosovo would qualify as a failed state, but it is not a state anyway, so it could not be a failed state.

A good part of the Serb leadership in Serbia and among the Kosovar Serbs has been engaged in a competition to further develop or project the future Serb rule over Kosovo, or part of its territories. What has emerged as a consensus is a de facto partition plan under the concept of decentralization of Kosovo on an ethnic and territorial basis.

And the international community has been debating for more than 2 years on making operational its standards before status pol-

icy. With one notable exception, that of the initiative and the continuous initiatives of Under Secretary Grossman to bring a review date to the standards policy, there has been an overall lack of American leadership there. Therefore, the lack of something that has always proven to be of utmost importance in Europe, even more so in the Balkans, a joint U.S.-EU position that always comes when there is American leadership.

Now, in the best of cases, these debates will go on without much harm, and the Kosovar leadership will still probably expect that there will be formal recognition. The Serb leadership will still insist on keeping its leverage on Kosovo with the partition plan, and the international community will try, with not much success, to further develop its standards policy with the local actors. I say more or less without success because the standards have at least one deficiency, and that is the assumption that this is a basic functioning state that now assumes more sophisticated duties. But the end result of this policy vacuum may not be harmless at all. It will simply deepen the already intense frustration of the Kosovar population.

Now, there are two things that might happen in the next months. The first one is the Kosovar elections. This is an opportunity to change the political structure. And the second one is to have UNMIK reform itself and that comes with a new SRSG.

On the first one, it is possible to change the situation and I am ready to participate in it. I am participating for the first time in these elections heading a list with a platform of reform of the Kosovar society.

On the second one, there is an opportunity as well but only if there is assistance from the U.S. and the EU, and that is how to make UNMIK smaller, how to make UNMIK a partner and not a micro-manager in this process. UNMIK should be actually focusing within the next period only on justice and home affairs and as a partner to Kosovar institutions that deal with security, justice, and home affairs.

Well, whatever is done in both reform on the Kosovar side and reform on the international side, the status question will still be there. Within the next months after the Kosovar elections, I think that the following steps should be undertaken to help solve the status issue.

A clear message from the international community, most notably the U.S., on what shall not be tolerated as a status outcome. First, partition of the territory whether by Belgrade's design or by the actions of Albanian extremists in their attempt to isolate and/or drive out Kosovar Serbs. One thing that will not be tolerated is an intolerant state.

Partition will further aggravate tensions of the Kosovar Albanian side. It will leave 70 percent of the Kosovar Serb population out of the newly created Serb territories, and it will serve as the most negative model for inter-ethnic relations in south Serbia and Macedonia.

The second issue which ought to be coming is a new offer from the Kosovar authorities after the elections on what the model of co-existence should be, in particular for the Serb community. That means decentralization as well but as a Kosovar initiative.

A new initiative to assume responsibility for the Serb returns. I think it is the Kosovar obligation. It is not UNMIK's obligation to do so. And that means opening up Mitrovica as a city, making it a united city again where people can communicate with each other.

A new format of dialog between Pristina and Belgrade that is not based on so-called technical issues but a real dialog that deals with the past issues, which are very big, the present and the future issues.

Of course, at the end something that will undoubtedly help and I think that will be very welcome in the new year, in 2005, and that is a U.S.-led and EU component in the negotiating team that will actually shuttle to create a new framework for this dialog.

Thank you.

[The prepared statement of Mr. Surroi follows:]

PREPARED STATEMENT OF VETON SURROI

Concepts

1. STAGNATION

A full circle of stagnation in Kosova has been reached. The UN mission in Kosova, established after its liberation, has not succeeded in establishing self rule in it. Currently, Kosova operates under four different legal systems (UNMIK regulations, pre 1989 laws, current laws passed by kosovar assembly and Serb laws in the "parallel institutions"). It operates under three different economic systems, including socialist self-management that died in the Former Yugoslavia ten years ago. UNMIK has all the key, even day to day decisions, including the capability of projecting how the budget will be built or spent.

A system of mutual blame game has been established. UNMIK criticizes the lack of leadership in the kosovar political structures, and quite rightly so. The kosovar leadership criticizes UNMIK for not allowing it to assume more responsibilities, quite rightly so again.

Nowhere in sight is there a system of checks and balances.

Lacking it, there are only explosive indicators: aid money has been spent (2 billion dollars of it), the rate of unemployment is in real terms beyond 70 per cent, the kosovar economy covers with only 3-4 per cent of exports the quantity of products it imports, most notably food and electrical energy which it used to export 15 years ago.

2. DEGRADATION

Within this trend of stagnation, it could be expected to enter into degradation. And the March events manifested themselves to be a bloody step backward in all aspects. In March, interethnic hatred and the capacity of extremists to hijack protests and turn them into riots showed both the lack of authority of the kosovar leadership, or even more, lack of leadership. They also showed, more importantly the continuous erosion of UNMIK and its capacity to handle the situation. And, for the first time, an understanding that KFOR is not one mission, but many national units with their own flags. In the most critical moments, I should say, the presence of the American flag not only quieted the riots, but also immediately brought reassurance to all the citizens about their personal and collective security. This did not happen in the different military sectors.

The sense of degradation is on the brink of endangering all the achievements of the international community in Kosova, namely those that make it an electoral democracy.

3. POLICY VACUUM

The past 2 years have been spent in doctrinarian and quite often empty debates about the policy to be pursued. Some kosovar Albanian leaders have been advocating the "formal recognition of independence" as a solve all solution, without even the minimal attempt to focus on the functionality of Kosova, which in its present format would qualify for a "failed state" category, but then, it is not a state. A good part of the Serb leadership in Serbia and among the kosovar Serbs have been engaged in a competition to further develop, or project the future Serb rule over

Kosova or part of its territories. What has emerged as a consensus is a de facto partition plan under the concept of decentralization of Kosova, on an ethnic and territorial basis. And the international community has been debating for more than two years on making operational its "standards before status" policy. With one notable exception, that of the initiative by undersecretary Grossman to bring a review date to the "standards policy" there has been an overall lack of American initiative, and therefore the lack of something that has always proven to be of utmost importance in Europe, even more so in the Balkans, a joint US-EU position.

In the best of cases, these debates will go on without much harm. Parts of the kosovar leadership will still wait for the formal recognition of the independence. The Serb leadership in Belgrade will try to keep its leverage on Kosova with the partition plan and the international community will try to, with not great success, focus the local actors on the "standards" policy. I say more or less without success because the standards have at least one big built in deficiency: the assumption that this is a basic functioning state that now assumes more sophisticated duties.

But, the end result of this policy vacuum may not be harmless at all: it will simply deepen the already intensive frustration of the kosovar population.

4. BACK TO BASICS

The upcoming Parliamentary elections on October 23 of this year and the initiative to reassess the UN mission, may bring room for more forthcoming initiatives, and putting the present policies of the international community in a new context.

On the kosovar side there may be a new political spectrum created, that should focus on the basic issues of functionality of Kosova. And that would mean, establishing of one legal system for the whole territory, an assumption of full economic competencies including running public enterprises and privatizing the socially owned ones (competencies so far in the hands of UNMIK), conceptualizing decentralization as an issue of strengthening municipal powers rather than creating lines of partition within Kosova, becoming a partner for the surrounding states.

On the UNMIK front, this ought to mean interpreting the mission as a correcting force in state building, not a micromanaging one. And it ought to mean a shrunk mission, focusing on justice and home affairs, in an increasingly partnered relationship with the kosovar institutions that should assume much more responsibility in justice and home affairs. The EU, within this new arrangement, should assume responsibilities it does best: restructuring the economies and administrations of post-communist countries in the effort of integrating into the EU.

These are some of the ideas I am presenting here, but will be presenting them to the people of Kosova as I assume a new civic duty, that of running in the upcoming elections, leading a civic list of people with indubitable credibility in the communities where they live.

5. STATUS

Whatever is done, though, there is one question that cannot, and should not be evaded, that of the permanent status of Kosova.

The present policies do not lead to the form in which the status issue will be resolved, nor, indeed, the speed to arrive to this stage. On the other hand the limbo over status is already creating negative results both for the political and economic functioning of Kosova, as well as for the region as a whole.

Within the next months, after the kosovar elections, I think that the following steps should be undertaken:

- A clear message from the international community, most notably of the US, on what shall not be tolerated as a status outcome, i.e., partition of the territory whether by Belgrade's design or by the actions of Albanian extremists in their attempt to isolate and or drive out kosovar Serbs; an intolerant state. Partition will further aggravate tensions on the kosovar Albanian side, it will leave 70 per cent of the kosovar serb population out the newly created Serb territories and it will serve as the most negative model for interethnic relations in South Serbia and Macedonia, where to a great extent successful US-EU mediations have brought a new quality of life.
- A new and very specific offer of kosovar institutions on legal ways to address the needs of minorities, and because of the specific historical case, in particular the Serb community in Kosova. The new legal format would address the issues of a minority rights format as well as decentralization, within the overall context of functionality of Kosova.
- New initiatives to assume responsibility for the return of kosovar Serb refugees, including those from the divided city of Mitrovica, which as, we saw in March,

is a continuous flashpoint. Mitrovica, is in fact the test case of whether citizens can return to their homes, reestablishing a united city instead of the now divided form of it.

- A new format of dialogue between Prishtina and Belgrade in which initially a catalogue of open questions will be established. These questions will be dealing with the past, present and future.
- A joint US-EU initiative to gradually build a joint policy and mediation effort that would address the following issues:
 - functionality of the kosovar institutions,
 - Overall Framework agreement between Prishtina and Belgrade,
 - Ways in which the UN can help, and
 - Ways in which post-status encouragement policies can be introduced as of now, within the prospect of Euro Atlantic integrations.

The US leadership in the end of the 1990's toward the Balkans stopped a genocide in Kosova, reversed its effects, and created a new historic situation for its citizens. It was a great military and political investment, somehow given away to inefficiency of multilateral institutions and to some extent irresponsible kosovar leaders. It is, though, an investment which can still show itself to be a successful model of nation and state building. It again requires many things, and critically, local initiatives, but even if there are the best around, ultimately it will require the US credibility and capacity of engagement to get through this crucial stage in the story of Kosova.

Senator VOINOVICH. Thank you very much.

I am very interested in the perspectives discussed here. It looks like Mr. O'Brien and Mr. Dobbins kind of agree on what the policy should be in regard to Kosovo.

I get the impression that all four of you are optimistic with the new leadership in Serbia. And I am glad to know that the Ohio National Guard is going to be going to Serbia, and it is probably going to work out well because we have got 900 National Guard people in Kosovo. When I was Governor, we sent our National Guard to Hungary and helped them civilianize their army. So Ohio soldiers have had some experience in that.

But there seems to be a renewed interest by the State Department, a real interest in that area, including working with the military, and looking at some of the institutions that need to be put in place in order to have a good country.

The thing that seems to be left out of this discussion here is that whatever happens in Kosovo will have an impact on the situation in Serbia. You have got some new leaders there that made a commitment that they are going to cooperate with The Hague and they are going to do some of the things that they should have been doing some time ago. But to ignore the impact of a Kosovo situation on that at this stage of the game seems to me to be a little bit naive.

I hear from Kosovo Serbs. They are concerned that their basic needs are not being met. They cannot, for instance, go to the Kosovar Albanian hospital or school. By the way, I think you have got more minorities leaving Kosovo than you have coming back in terms of refugee return. As a result, minorities in Kosovo have in the past turned to parallel structures that have received funding from Belgrade. This remains a real problem as we look to find a long-term solution.

Following the March violence in Kosovo, the OSCE mission in Kosovo released a report on human rights challenges following the March riots. They concluded the central provisional institutions of self-government, especially the municipalities, need to proactively

provide for essential services such as education, and health care for all communities in Kosovo. The minority community should not have to rely on the services provided by parallel structures.

But the real issue is, how do you deal with this? My thought is that if we define the role that all KFOR forces have to play in terms of the same kind of responsibilities that our forces had, that will make a difference in terms of sending a signal.

No. 2, it seems to me that UNMIK has got to be serious. Mr. Surroi, you indicated that you felt they were not a partner. I do not think they have really been real serious about how important their mission is there.

Also it is important to communicate to the leadership in Kosovo that the challenge right now is to move forward and to demonstrate that they are really concerned about human rights and dealing with the aftermath of March 17, to show some type of indication that the minorities in Serbia do not need protection from somebody, that they do not need to be attached to some other country in order for them to have a decent way of life.

I think I shared this with you, Senator Biden. When I met with Rugova and Thaci right after the war, I said, you have a wonderful opportunity to establish a new chapter here and end the killing and to treat minorities like they did not treat you, and if you do that, ultimately you will have your independence. Ultimately you will end this history of killing that has gone on for so many years. I do not think they listened to me.

So, I guess what I am saying is in spite of the fact that I have heard Mr. Dobbins and Mr. O'Brien and your suggestions here that this is what we should do, how can you do that in a vacuum without understanding what impact that is going to have on the government in Serbia?

Ambassador DOBBINS. Well, let me start on that and there are others here who can address it even better. First of all, that is a perfectly legitimate question and one I did not try to deal with in my statement.

I do think that, first of all, in a sense Serbia has had 5 years to get over the loss of Kosovo. It has had 4 years to get over the collapse of the old regime and begin building something new. During that time, as I said, we kept the lid on Kosovo precisely in order to give them that time. One of the major factors that led us not to move forward on Kosovo more quickly was to allow Macedonia, Serbia, Bosnia to have some more time to heal. But you cannot do that indefinitely because if Kosovo itself becomes unstable, it becomes a source of conflict in the region. So at some point you have to turn back to it.

As I have said, I think it is Kosovo's turn to be our priority. Serbia was our priority, perhaps not as high a priority as it should have been frankly.

Senator VOINOVICH. Let me ask you this, Dr. Dobbins. What if UNMIK had really done their job in the beginning, implementing Resolution 1244? Steiner set up the benchmark goals. What if they went forward with the standards and had done the job that they should have done, cooperated with the government that had been elected in Kosovo? Do you not think that we would be a lot further along as to where we are today?

Ambassador DOBBINS. I do think there has been a leadership vacuum over the last few years on this issue. I do not think that the U.N. can be exclusively blamed. The U.N. does not have an independent capacity to set policy on this issue. It reflects the consensus among the Security Council, the Contact Group, and if there is not a strong leadership pushing that consensus—and that leadership normally comes from the United States, not always. The Europeans are sometimes capable of doing that. They did it on Macedonia, for instance. But if somebody is not pushing that consensus, it just lies there. So UNMIK has lay there because we have been laying there because there has not been anybody who has been pushing a vision. Standards before status is a delaying mechanism. It is a way of avoiding addressing the issue.

Now, the other point I would make about the situation in Belgrade—and I would be interested in what my colleagues think of this. I am not sure we would be doing the democratic leaders in Belgrade a favor by trying to persuade them to invest their prestige on an urgent basis in order to try to come to an agreed solution for Kosovo. I am not sure they are up to that. I am not sure it is to their advantage in consolidating their own support.

That is why what I was proposing was not a solution but simply a statement of American and European policy and a statement that 2 years hence we will try to implement that policy, provided certain standards are met. Now, during that 2-year period, obviously the burden would be on the Kosovar leadership to negotiate arrangements with Serbs, both in Kosovo and in Belgrade, for the protection and the security and the status of the Serb minority in Kosovo. That would be part of what would have to be negotiated.

But I think to begin by trying to put the burden on some kind of Pristina-Belgrade dialog to set the framework for the negotiations, that is to agree on what the goal of the negotiations is, is probably unrealistic in terms of being able to get an outcome and probably puts too much of a burden on the leadership in Belgrade. To some degree, an international fate accompli may actually be easier for them to deal with than having themselves to take responsibility for negotiating Kosovo's laws.

Senator VOINOVICH. Mr. Vejvoda, what do you think of that?

Mr. VEJVODA. I think that there is definitely an awareness in Belgrade that Kosovo is on the agenda. Let me just remind us that there has been a complete shift in policy in Serbia after the defeat of Milosevic. The way that the crisis in southern Serbia was handled under Prime Minister Djindjic's government—and the Deputy Prime Minister took the lead on that—basically was a complete reversal of what Milosevic had done. This time there was engagement with NATO, with KFOR, with UNMIK, intense working together, and establishing a dialog with the Albanian minority in the south of Serbia.

Likewise during the tensions and violence on March 17, I think there was a prudent response, a committed response, especially by the Defense Ministry on trying to be constructive in finding the quickest possible way to help in diminishing those tensions. I think that policy continues.

Referring to your question earlier about the plan from Belgrade for decentralization, I think it is an important opening move. It is

the beginning of a discussion. It has been said clearly in Belgrade that this is not set in stone.

The dialog has to be reengaged. It began, as you remember, back in October formally. Then two working groups were established. There have been, again as you know, a myriad of track 2, track 1 and a half dialogs where Serbs and Albanians have met from Belgrade, Pristina, and from Mitrovica. In this dialog, there has been the creation of an atmosphere, I would say a more realistic and pragmatic approach to what needs to be done, i.e., the people have to sit down and think about it. The stakeholders that are involved in this are obviously the U.S., the EU, and the United Nations, and that this cannot be solved only by Serbs and Albanians, whatever the political will on both sides, because our future is in the European Union.

So I would say there is a fine unraveling as the region and as, for example, Serbia and Montenegro move into Partnership for Peace, move into EU integration. Ultimately we will all be in the EU. So the formula has to be found together with both international and domestic stakeholders.

Senator VOINOVICH. Do you not agree that if we have a renewed commitment, say, in Kosovo in terms of UNMIK, and Prime Minister Rexhepi moves forward with backing up his words about taking care of the problem that occurred on the 17th, fix the houses, deal with refugees and that kind of thing, that kind of an attitude on his part should help create an environment where this dialog can move forward?

Mr. VEJVODA. Commitment to that kind of development is essential. I would just remind you very briefly that Prime Minister Djindjic launched an initiative exactly in the vein of what we were talking about last January 2003 because he knew that stagnation was not good, that we were all hostage to an unresolved situation in our movement toward Europe. He said the precondition for beginning to find a solution that would be conducive to liberty and democracy for everybody was security for those who were in Kosovo and for upholding the principle of return. From that baseline, we could then move on to find the way to the compromise solution.

Senator VOINOVICH. I am going to turn it over to Senator Biden. He has got to run.

Senator BIDEN. Thank you.

Veton, it is good to see you again. Thank you for taking care of my son when he was in Pristina with our Justice Department. I appreciate your hospitality to him.

What do you think of Dobbins' proposal?

Mr. SURROI. He had many.

Senator BIDEN. The one that is very straightforward.

Mr. SURROI. No, I agree with him totally in the sense that the final objective should be made clear. What I suggested was complementary to it, that no partition will be allowed. Therefore, setting up a framework. I think that is called conditional independence, what Jim was suggesting.

Senator BIDEN. Now, you said—and I think it is part of what Ambassador Dobbins was hoping—correct me if I am wrong, Jim—that this 2-year period is essentially a requirement for the

Kosovars to demonstrate that they have, in fact, guaranteed the security of the Serb minority. Is that right?

Ambassador DOBBINS. Right.

Senator BIDEN. Now, you indicated, Veton, that you were of the view that it was the responsibility of the Kosovars to take over more of that initiative on their own without UNMIK or anybody else telling them how to do it. And I am not doubting you, but what makes you believe that the circumstances are such that there is an environment that can produce that? Is there a reason to believe that the political leadership, present and emerging, in the Kosovar community is prepared to take those and make those guarantees not only in terms of structural changes in the law, but in terms of actions? Talk to me about that. Why would you be optimistic that is likely to occur? Or is it likely to occur?

Mr. SURROI. My first basic optimism is that I believe in it.

Senator BIDEN. I know you do. I have great faith in you.

Mr. SURROI. The second is self-interest. I think the Kosovar society understood after March 17—I am not speaking of the leadership. I am speaking about the energy that will transform the society. It understood two things. A, they are sick and tired of violence, the ordinary citizen. And B, the question of minorities is essential actually to how the majority will live.

Nowhere is it more visible than in Mitrovica. You have a city divided by a river. The Albanians from the south of the city cannot go to the north because in the north you have Serbs from other places, from Kosovo, to where they cannot return. So what we need to do is open up this issue in a different format so people can reclaim their property and reclaim their lives.

Senator BIDEN. How do you open that up? I acknowledge it has not been successful, but there have been a number of different efforts.

Mr. SURROI. Before the March events, there was a serious initiative to deal with it based on an NGO proposal, to which both the Serbs and the Albanians from Mitrovica subscribed. Now, it is a chain of events that would make the Serbs return to their homes, Albanians return to their homes and property, forms of decentralization that would ensure that a Serb-run majority entity would be part of the greater Mitrovica city. So forms of both economic and legal arrangements that would have people satisfied.

Senator BIDEN. Is it your sense that that is, as we find ourselves in July, able to be negotiated or banged out intra-Kosovo? In other words, that this can be done without looking to Belgrade, that Serbs within Kosovo, in Mitrovica can negotiate that, if there is a good faith effort on the part of the Kosovars? Or does Belgrade have to be in the mix?

Mr. SURROI. Belgrade can spoil things but it can be a partner as well. It is the choice of Belgrade. But I think if we keep the issue of returns to the issue of rights, to the right of the people to return and to a society that allows or recognizes those rights, then things can be done. When you get to specifics, the question of returns is not so complicated. It is actually a technical issue which you have to tackle. You have to see where people can return, whether their houses are built or not. You have to see what they are going to live on, and you have to see what is the basic security and how much

political investment you need in that security. But a Kosovar Albanian leadership should do that, not some U.N. bureaucrats.

Senator BIDEN. I agree with you, it should. I remember being in Brcko about 8 years ago and watching, literally walking down the street in the neighborhood that basically had been bombed out, a big neighborhood—I mean, there must have been 300–400 homes—a group of men, 8 or 10, carrying pitchforks and shovels, heading toward a home that was rapidly being boarded up, about the equivalent of three blocks away. It was from here to that door from the home in question. It took a young second lieutenant, who was United States Army personnel, to work out the arrangement. What had happened is they had been bombed out, the occupants of the home, and the Serbs were coming back to claim their home forcibly. It took a young man to work out a system whereby he guaranteed the people in the home, who acknowledged it was not their home, access to another home in order to be able to avoid this conflict. I learned a lesson from that. It is one house at a time. It is one apartment at a time. And it is really a difficult process.

I am not saying this as a criticism. I have yet to see the sense of—and I am prepared to be educated in this—urgency and commitment on the part of the rest of Kosovo, outside of Mitrovica, to do that painstaking process without a third party being involved. But believe me, all of us would love it to occur without any third party involved. But I am looking for signs that say that is possible, and I have not seen any yet. It does not mean they do not exist.

I must tell you, Veton, I feel a little bit guilty as much as you know how many times I have been to Pristina and how many times I have been to Kosovo and how many times I have been to the region, as my colleague. I think we have probably visited there more than any two Senators have by a long shot. I feel a little guilty because my attention has been diverted to Iraq and to Afghanistan. It is more than I like.

At any rate, this is obviously not a question. It is a concern I have about how you square the circle because I think it is within the pieces. I agree with your overall approach, how to go about it, but the devil is in the details. I would need to know myself a lot more.

But at any rate, I appreciate your listening to me as well as answering my questions. This has been a first-rate panel.

Mr. O'Brien, I want to thank you for your testimony. In full disclosure, Mr. Chairman, the attractive young lady back to my left is my niece, and she is a Harvard student who works for Mr. O'Brien and I insisted she sit with me, not with him.

I wrote her a note, Mr. O'Brien, complimenting her on the brilliant statement she wrote for you. I give her full credit for your brilliance, even though I know that is not true.

Thank you very much, Mr. Chairman.

Senator VOINOVICH. Thank you, Senator Biden. I really appreciate your being here. You have certainly enlightened me in terms of your perspective on things.

My last question. The marriage between Serbia and Montenegro occurred because the EU wanted it to occur. Mr. Vejvoda, would you like to comment on that, or anybody else, about how real the arrangement is, and is it a possibility that it will continue, or do

you think that there is going to be an effort for those in Montenegro to say we want our own operation, our own country?

Mr. VEJVODA. Well, let me start out by saying, Mr. Chairman, that it was not only because of the European Union that we have a state union of Serbia and Montenegro. There was also a willingness I would say on the part of the then-actors to find a rational and democratic recasting of what was then the Federal Republic of Yugoslavia into a new state union that would acknowledge the level of acquired competencies of both units, namely of Serbia and Montenegro. This was, as we have already said, for reasons of regional security. It was not clear what would happen if there was an abrupt possible separation then with regard to broader ramifications, but it also was the result of a forward-looking view which said, well, if we are all going to join the European Union, why should we make this sort of temporary separation before we are in the club together. So there were reasons of rationality among other things.

There were also reasons that spelled out the fact that at that moment it did not seem the terms of reference that Montenegro had set for themselves, i.e., independence through referendum, were actually deliverable, which was seen in the April elections of 2001 that actually was not close to a clear result for independence.

What happened in the meantime was painstaking work, after the signing of the Belgrade Agreement, to find a constitutional charter which was finally achieved in February of last year. This constitutional charter spelled out the relations. It set a 3-year shelf-life for the state union to see whether and how it operates, and then after those 3 years, to see what would happen. Whatever happens, it will happen peacefully, whether we stay together between Serbia and Montenegro, or whether there was what was called in Czechoslovakia a "velvet divorce."

The most, I would say, frustrating part of the union up until now has been, as I mentioned earlier, the impossibility to move on European integration because of very technical reasons; i.e., the EU requirement was very simply a single market, which meant the harmonization of about 10,000 products, a joint customs office that could certify origin of products that would be exported. It has been impossible up until now to achieve that single market. As the European Union would put it, they did not have a single telephone to call when they were calling the state union of Serbia and Montenegro.

There has been thinking on how to go around this so that we move the train out of the station, both domestically and in Brussels in particular, to maybe see whether a two-track approach is possible, i.e., parallel integration processes, for Serbia and for Montenegro while keeping the state union together. As I mentioned, there is thinking of that sort in the Serbian Government at this point.

Whatever may happen, I think it is imperative for the greater public international good in Europe and in the region itself to move Serbia and Montenegro in whichever way possible forward on the European integration track.

Senator VOINOVICH. From your perspective, would they be better off both coming together and reconciling any kind of differences

they have and stick together, or do you think they would be better off separating. I mean, it is going to have to happen. It is slowing things down. Correct?

Mr. VEJVODA. Absolutely.

Senator VOINOVICH. So they either have to understand they have a symbiotic relationship where they can both benefit by moving forward into the EU and Partnership for Peace or continue kind of an uncertainty here.

Mr. VEJVODA. At this point, I think that the union will remain together until the date of the shelf-life ends, which is also contested, by the way. Some people say it is 2005. Some people say it is beginning of 2006. I think we will see entry into Partnership for Peace of the union together.

The European Union is looking maybe at a two-track process within the framework of the union. Again, there was a precedent with Czechoslovakia in a certain sense. This yet has to be worked out, but I think that everybody is seeing the urgency of the need to unravel this issue.

Senator VOINOVICH. So they will work it out.

Mr. VEJVODA. I am sure they will and in the not so distant future. By that, I mean by the end of the year we should see some kind of solution to that.

Senator VOINOVICH. Thank you.

Bosnia and Herzegovina. Mr. Dobbins, you believe we should continue to remain there.

Ambassador DOBBINS. No. What I said was that I regretted the loss of an opportunity for solidarity because the number of Americans there was so small that it was a small sacrifice to keep them there. But I think now that we have negotiated what seems to me a very viable with the European Union to take this over, I think it will be good to give them a chance to demonstrate their independent capability. It will give NATO and them a chance to demonstrate the capacity to work together. So I am not arguing that this should be reversed.

I am arguing that the United States needs to recognize that solidarity and burden-sharing are two-way streets, and that it cannot only happen on the issues that we feel passionately about at any given moment.

Senator VOINOVICH. Does anyone else want to make a comment about anything anybody else said, what the other witnesses have testified to?

Mr. O'BRIEN. If I may, Mr. Chairman, just a point on your first question. This is a vitally important time for Serbia, and I think the next 6 months to a year is the time that we move forward. We should do it on two fronts. They have a domestic battle with the people who oppose the democrats. They are the same people who are protecting war criminals. So let us help the democrats by engaging them in every way we can. Within 6 months or so, we may find The Hague issue is no longer an issue.

We should also see that Serbia's path to Europe is not slowed by the problems within the state union. The same for Montenegro. If that means dissolving it today, that is fine. If they can work it out, that is fine. But let us do it this year because then early next year you will find a Serbia where you have democrats in authority and

they are on a clear path to Europe, having resolved the most troubling issues facing the country. That is a much different environment in which to return to the issue of Kosovo than we face today.

Senator VOINOVICH. Any other comments?

Ambassador DOBBINS. Let me just conclude my own remarks by saying that I very much appreciate your calling these hearings. I think this was a rather inspirational session actually. I certainly leave and I suspect we all leave a little more optimistic than we came as a result of it.

I would like to thank you particularly, Senator, for the unqualified and consistent support you gave when I was responsible, when Jim O'Brien and I were both responsible, in the early part of this decade in bringing about a transition to the democracy in Serbia. It was extremely important to have that kind of support from the majority in the Senate.

Senator VOINOVICH. Thank you.

Mr. VEJVODA. Mr. Chairman, may I add a few words also? May I rejoin in saying that I also believe this is a very timely hearing. I believe that there is a necessary focus on the Balkans, a refocusing, because as I said, we are close to succeeding in a number of the unresolved issues. Attention has, for all the right reasons, been steered away to other regions of the world. I think we need a little more focus and a little more resources, nothing big, to make this a success. Thank you very much.

Senator VOINOVICH. I agree.

I would like to say also that we are very pleased today to have the Ambassadors of Serbia and Montenegro and of Macedonia. We have a distinguished guest from Serbia and Montenegro, Mr. Nenad Canak, President of the Assembly of Vojvodina. We thank you very much for your presence here today.

[Whereupon, at 4:49 p.m., the committee adjourned, to reconvene subject to the call of the Chair.]

RESPONSES TO ADDITIONAL QUESTIONS SUBMITTED FOR THE RECORD

RESPONSE OF D. KATHLEEN STEPEHENS TO AN ADDITIONAL QUESTION FOR THE RECORD SUBMITTED BY SENATOR RUSSELL D. FEINGOLD

Question. Could you please provide me with an update on what progress has been made in holding accountable those responsible for attacks on minorities in Kosovo during the March 2004 violence?

Answer. According to the United Nations Interim Administration Mission in Kosovo (UNMIK), over 270 persons have been arrested on criminal charges related to the violence. International Prosecutors and Judges are handling the most serious criminal cases, including 19 cases involving deaths and those against organizers/leaders of riots, aggravated inter-ethnic violence and significant violence against police. These cases involve 26 defendants, of which 18 are in detention. Local courts, with close OSCE supervision, are handling over 200 cases that involve lesser crimes such as theft, arson, attacks on official persons, etc. As of July 27, there have been 70 convictions and 200 cases are either in court or are under investigation.

RESPONSES OF MIRA R. RICARDEL TO ADDITIONAL QUESTIONS FOR THE RECORD
SUBMITTED BY SENATOR RUSSELL D. FEINGOLD

U.S. POLICY IN SOUTHEAST EUROPE: UNFINISHED BUSINESS IN THE BALKANS

Question 1. A number of my constituents have expressed concerns over the violence in March 2004 against Serbs and other minorities in Kosovo. Why were the UN Mission in Kosovo (UNMIK), KFOR and Kosovo's government unable to protect minority groups during the riots? What can the U.S. do to better assist UNMIK, the Kosovo government and KFOR in establishing better security for Kosovo's minority communities, especially the Serbs?

Answer. The March violence in Kosovo was deplorable. While most of it was directed against ethnic Serbs and minorities in Kosovo, it should be noted that there were deaths among Kosovar-Albanians as well. KFOR was quickly called into action but the first lines of civil security in Kosovo are the Kosovo Police Service (KPS) and the UN International Police. Most deaths unfortunately occurred when police units were too slow, too few or inadequately equipped to respond effectively to the riots. Once KFOR arrived, the situation was gradually brought under control; that does not mean however, that KFOR does not have to improve its performance. A NATO "lessons learned" study was initiated immediately after the March events. It showed that one of the greatest inhibitors to effective action across boundaries was so-called "national caveats."

The U.S. is leading the drive to make KFOR more agile and flexible in emergencies with fewer restrictions imposed by contributing countries on how their forces can be used. For example, some countries do not allow their forces in other sectors or to use lethal force to protect property. The U.S. has no such restrictions on its forces.

The U.S. has long supported UNMIK's efforts to establish the Kosovo Police Service (KPS). We are working to further improve the coordination between KFOR and the KPS, sharing the lessons learned in the U.S. sector (Multi-national Brigade East) with other KFOR components throughout Kosovo. A new Kosovo Security Advisory Group has also been created that provides a forum for Kosovo Serbs, the Provisional Institutions of Self-Government (PISG), UNMIK and KFOR to discuss the most critical security issues. The U.S. will continue to closely monitor the situation and pursue efforts to prevent such unfortunate errors in the future.

Question 2. There have been reports of an increase in ethnically motivated attacks within the Vojvodina region in Serbia against ethnic Croats and other minorities in the past year. What, if anything, is behind these attacks? Is the Serbian government acting sufficiently to protect the rights of these minority communities in Vojvodina and other communities?

Answer. In March 2004 there were incidents against Muslim residents in Vojvodina presumably in response to the anti-Serb rioting in Kosovo. The most serious was a Molotov cocktail attack on a Muslim-owned bakery in Novi Sad, Vojvodina's principal city. Other groups targeted in ethnic incidents in Vojvodina include Croats, Slovaks, Ruthenians, Roma, Jews, Ashkali, and Chinese.

During the recent Serbian Presidential campaign, the various minority communities in Vojvodina, of which the Hungarians are the most numerous, largely supported Boris Tadic. Those supporting the opposing Serbian candidate from the Radical Party, Tomislav Nikolic, engaged in petty harassment (to include vandalism, graveyard desecration, at least seven telephoned death threats, and a few physical attacks) in an attempt to intimidate Tadic supporters.

The Tadic-led Serbian government has responded in three areas: 1) Statements denouncing ethnic-based strife including Tadic's July 11, 2004, inauguration speech; 2) Meetings designed to open a dialogue between Hungary and Serbia regarding the plight of ethnic minorities in both countries which may lead to the establishment of a bilateral commission; and, 3) A decision to begin integrating ethnic minorities into the region's police forces.

These efforts mark a good beginning to counter the upsurge in ethnic strife in Serbia. It remains to be seen whether this response will be enough. The pace of integration of ethnic minorities into the police forces will be a useful measure of the Serbian government's commitment to meaningfully address ethnic-motivated crime.